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LATE NEWS

Fraud Suspect Back in France

PARIS (Reuters) — Yves Chalier, the chief aide to a former French Socialist minister, was imprisoned on fraud charges Sunday after returning to France from months on the run in South America, his lawyer said.

Mr. Chalier, former aide to Cooperation Minister Christian Nucci, is the main suspect in a scandal over embezzlement of public money meant for African development. He fled France last spring to escape arrest, he said, at the urging of an Interior Ministry official.

SPECIAL TODAY

FRANCE'S GAMBLE
The Chirac government is betting that economic reforms will pay off politically.
A special report, Pages 7-10.

Reuters
Sheikh Ali Khalifa al-Sabah, Kuwait's oil minister, announcing an OPEC committee plan to raise prices. Page 13.

GENERAL NEWS
■ India and Sri Lanka discussed the ethnic warfare in Sri Lanka. Page 6.
■ Leftists in Brazil's coalition, once in opposition, scored in national elections. Page 11.
BUSINESS/FINANCE
■ BankAmerica announced a restructuring plan to increase the value of its stock. Page 13.
SPORTS
■ The Giants and Bears barely won in the NFL. Page 19.

Thatcher, Reagan Agree on Priorities For Arms Control

By Bernard Gwertzman
New York Times Service

WASHINGTON — Prime Minister Margaret Thatcher said that President Ronald Reagan has agreed not to press for the abolition of all long-range ballistic missiles in arms-control talks with the Soviet Union.

In a news conference Saturday after talking with Mr. Reagan at Camp David, Mrs. Thatcher read a statement that set out future arms-control priorities. The statement was clearly meant to ease allied concerns that the United States was rushing too quickly into far-reaching bans on nuclear forces.

Mrs. Thatcher said that Mr. Reagan had concurred with her that the priorities in negotiations with the Soviet Union should be on seeking a 50-percent cut in all strategic nuclear forces and on a sharp reduction on medium-range missiles.

The two leaders also agreed, Mrs. Thatcher said, that any major cuts in nuclear weapons should be accompanied by steps toward eliminating the Soviet advantages in nonnuclear forces.

The priorities were set out in a way that made it clear that the United States would not press for either the banning of all strategic ballistic missiles, which was proposed by Mr. Reagan in October in his talks with Mikhail S. Gorbachev in Iceland, or for an elimination of all offensive strategic forces, as sought by Mr. Gorbachev.

Mr. Reagan agreed in Iceland that the elimination of all offensive strategic forces should be a goal.

The Europeans have based their security since the end of World War II on a nuclear shield to offset the large disparity in the ground forces of the allies and the Soviet bloc.

The British and other Europeans were concerned, after the Reykjavik meeting, even about Mr. Reagan's proposal for a ban on all ballistic missiles in 10 years.

If the United States and Soviet Union agreed on this, they said, it could cause problems for Europe if the reductions were not matched by breakthroughs in a number of areas, including chemical weapons, verification and the size of conventional forces.

The British and other allies were even more concerned about the reports from Iceland indicating that Mr. Reagan had also agreed in principle to the elimination of all offensive nuclear forces.

Ridding Europe of mid-range arms would weaken NATO, its commander said. Page 2.

A Reagan administration official who briefed reporters at the White House provided the same report on the agreement between Mr. Reagan and Mrs. Thatcher.

Mrs. Thatcher said she had also received an affirmation from Mr. Reagan on U.S. willingness to help Britain modernize its nuclear-armed submarine force.

Mrs. Thatcher met with Mr. Reagan alone for one hour at Camp David, the presidential retreat in the Catoctin Mountains in

— See ARMS, Page 11

The Associated Press
Demonstrators protesting the British-Irish pact take cover after coming under fire by police officers using plastic bullets.

Irish Rally Ends in Violence

Belfast Protests Of Ulster Pact Leave 2 Dead

By Tyler Marshall
Los Angeles Times Service

BELFAST — One of the largest protest rallies ever held in Northern Ireland broke up in disarray over the weekend as elements of a massive Protestant crowd looted stores in the city center and fought running battles with police.

At least 25 persons were wounded Saturday as policemen equipped with bulletproof vests and riot shields fired plastic bullets into the fringes of the crowd.

Scattered incidents of violence were reported in Protestant neighborhoods elsewhere in the city as bands of youths roamed the streets amid a heavy police presence.

In earlier clashes between the police and Protestants late Friday and early Saturday, one youth was killed after being hit by a police vehicle and four officers were wounded in another confrontation. Three officers suffered burns from acid thrown in their faces.

[On Saturday night an elderly Catholic woman died in Carrickfergus after her home was attacked, Reuters reported Sunday. A police spokesman said that, apart from the two deaths, 44 police officers and 27 civilians had been wounded all over the province.]

Well over 100,000 Protestants had pushed into a square in front of the Belfast City Hall and spilled into surrounding streets to voice their opposition to a political agreement signed by the Irish and British governments exactly one year ago to bring stability to the troubled province.

The accord, which provides the Irish Republic with a consultative role in the British-ruled province, has been consistently opposed by the majority Protestant population, which views it as the first step toward Northern Ireland's absorption into a united, Catholic Ireland.

The accord is designed to end nearly four centuries of Protestant domination of Ireland's six northern counties by giving Catholics a share of political power.

Rally organizers and leading Protestant politicians who addressed the crowd had called for a peaceful protest, but violence began almost immediately.

As the crowd sang the words to the 21st Psalm at the outset of the rally, hooded youths near the edges of the gathering, believed to be part of a Protestant paramilitary group, began hurling stones at store windows in central Belfast.

By the time the Reverend Ian Paisley, a leading Protestant hardliner, rose to speak half an hour later, the police had fired several plastic bullets into the crowd.

For more than an hour after the rally broke up, leaders of the Protestant establishment, some dressed in bowler hats and orange sashes and at least one in the ceremonial red robe of an elected city councilor, tried to halt the looting by forming lines in front of the stores.

Mr. Paisley later dismissed the violence as "very slight trouble that means nothing."

"This is small compared to what will happen if this agreement is not scrapped," he said. "The street is the only place left, alas, where the people of Ulster can say 'No.'"

Islamic Jihad Demands 'Wider Steps' on Captives

By Ihsan A. Hijazi
New York Times Service

BEIRUT — Islamic Jihad has urged the United States to take unspecified "wider steps" to gain the freedom of hostages it is holding.

The pro-Iranian, Shiite Moslem group freed David P. Jacobsen on Nov. 2 and it says it is still holding American and other Western hostages.

Islamic Jihad said Saturday that it would not move "a fraction of a fingertip" to release the remaining hostages unless its demands were met.

The statement said Mr. Jacobsen's release had been the "result of certain overtures that, if continued, will solve the issue of the hostages."

It also said that "the American government should assume a bigger role" and offer "a more advanced step to meet our demands and solve the hostages' problem."

The statement did not spell out the nature of the overtures, nor did it mention if they involved the group directly or were a reference to the recently revealed contacts between the United States and Iran.

It has been reported that the release of three American hostages since September 1985 came after American-made military spare parts were delivered to Tehran. President Ronald Reagan has acknowledged that arms were delivered to Iran but maintains the de-

See JIHAD, Page 11

Reuters
Photograph of Terry A. Anderson, an American hostage, accompanied a statement released Saturday by the Islamic Jihad group.

More Shipments to Iran Unnecessary, Shultz Says

By Cass Peterson
Washington Post Service

WASHINGTON — Secretary of State George P. Shultz said Sunday that he saw no need for further arms shipments as a way of enhancing U.S. contact with Iran but acknowledged that he may not speak for the Reagan administration on the subject.

"We gave a signal and the signal has been given and, as far as I'm concerned, I don't see any need for further signals," Mr. Shultz said on a television interview show.

Asked if he had authority to speak for the administration, he replied: "No."

Meanwhile, in an apparent effort to extend an olive branch to members of Congress, the national security affairs adviser, Vice Admiral John M. Poindexter, said the administration was "anxious" to discuss the secret operation with congressional oversight committees.

In an appearance on another television show, Admiral Poindexter said William J. Casey, director of the Central Intelligence Agency, would lay out details Friday when the Senate Intelligence Committee planned to convene the first of what was expected to be an exhaustive series of hearings.

Congress vowed to call Reagan aides for testimony on dealings with Iran. Page 2.

Admiral Poindexter said he did not intend to participate personally in the hearing but would speak informally with members of Congress.

Admiral Poindexter's offer, however, suggests that the administration wishes to avoid a confrontation on executive privilege amid the clamor for answers on the arms shipment, including why the secret operation was conducted without advance notice to Congress and in the face of opposition from Mr. Shultz and Defense Secretary Caspar W. Weinberger.

Mr. Shultz has been largely silent after disclosures that the United States delivered a planeload of weapons and spare parts to what have been described as moderate elements in Iran. His office said Friday he was "not directly involved" and was only "sporadically informed" about the operation.

Mr. Shultz on Sunday characterized the arms delivery as a signal of President Ronald Reagan's desire for better relations with Iran. The value of the gesture, he said, was debatable, but "when you get elected president, that's one of the things you get the right to do, to make decisions of that kind."

Mr. Shultz referred to Mr. Reagan's statement last week that there was no intent to trade arms for hostages, and added: "I might say that all of the public discussion probably helped somewhat."

He said it "has kind of con-

See IRAN, Page 11

A Japanese Is Kidnapped Near Manila

By Seth Mydans
New York Times Service

MANILA — The Japanese branch director of the Mitsui Bussan trading company, one of the largest companies doing business in the Philippines, has been kidnapped near Manila, the police said.

The businessman, Nobuyuki Wakaoji, 53, was seized outside a country club Saturday afternoon by five or six armed men in two cars, according to a security guard at the Canlubang country club 30 miles (about 50 kilometers) south of the city.

[President Corazon C. Aquino summoned military officials and some of her cabinet members to an emergency meeting on Sunday to discuss the kidnapping, Reuters reported.

[The presidential spokesman, Teodoro Benigno, canceled a scheduled briefing on the kidnapping, saying that an important development had taken place, "the nature of which I cannot reveal."]

The identity of the kidnappers was not known. There was no immediate word of any communication from them.

The Japanese Embassy had no immediate comment.

A Japanese diplomat said privately, "This could have repercussions back home."

The kidnapping came two days after Mrs. Aquino returned from a visit to Japan, where she sought to portray her government as a reliable trading partner despite an atmosphere of instability.

Philippine officials said that Japan had pledged or signed agreements for $980 million in aid dur-

See KIDNAP, Page 11

Chris Veal/Reuters
Eugene Hasenfus and his wife, Sally, listen to the verdict against him being read.

Hasenfus Is Sentenced to 30 Years

By Stephen Kinzer
New York Times Service

MANAGUA — Eugene Hasenfus, the American air cargo specialist whose arms-laden plane was shot down over Nicaragua, has been convicted by a Nicaraguan tribunal and sentenced to 30 years in prison.

Mr. Hasenfus had admitted being part of a clandestine operation delivering weapons to anti-government forces in Nicaragua. In the verdict Saturday, the People's Tribunal said that such weapons "have been used to kill peasants and other Nicaraguan citizens."

The tribunal ordered the 30-year term after declaring Mr. Hasenfus guilty of violating a public security law that bans "actions aimed at subjecting the nation totally or partially to foreign domination, or infringing on its independence or integrity."

The tribunal added a three-year term for illicit association, but limited the sentence to a total of 30 years because that is the maximum allowed under Nicaraguan law. There was no finding on the third charge, terrorism, which carries a maximum sentence of two years.

For Washington, frustration at the OAS meeting. Page 3.

[The White House said Saturday that Mr. Hasenfus's sentence "came as no surprise" because it "served no purpose other than to make propaganda," United Press International reported.

[The State Department, in a separate statement, said the Nicaraguan government's treatment of Mr. Hasenfus "violated many of his basic due process rights under both international and Nicaraguan law."]

The verdict took more than an hour to read in Spanish and was then read in English for Mr. Hasenfus's benefit. After the English translation was read, Mr. Hasenfus was asked if he wished to file for an appeal. He was denied a request to consult with his lawyer on this

See MANAGUA, Page 11

Soviet Prepares to Allow Small Private Concerns

By Celestine Bohlen
Washington Post Service

MOSCOW — The Soviet Union is getting ready to allow limited private enterprise in the heart of state socialism, from small cooperative cafés and repair shops in the cities to family farms in the countryside.

New legislation on "individual labor" was to be reviewed Monday at a session of the Supreme Soviet, or parliament. According to articles in the official press, a draft of the law provides for contracts allowing individuals to run small enterprises for profit.

Many details are still unclear and, according to Western experts, the details will determine how far Moscow is willing to experiment with a private service sector.

But from official and unofficial sources, the shape of the proposed reform has begun to emerge, giving the picture of small private enterprises operating with state aid and under state control, offering services that the state now either cannot provide or provides badly.

The most vivid example comes from a proposal drafted for the creation of new eating establishments in Moscow. The Soviet capital now offers a meager choice of restaurants, most of them large and noisy, with notoriously bad service.

Under a current proposal, cooperatives would apply to the local authorities for permission to open small cafés, with credit provided by the state bank and equipment and transport provided by the state. A contract would require the cooperative to pay the state a fixed sum out of its profits.

The cooperative managers would be allowed to buy food directly either from state or collective farms or on the private market, and to set prices for prepared food, according to sources familiar with the proposal.

Permission to open a café would have to be given within 20 days, another in a series of efforts to require a quick response from the slow-moving bureaucracy.

The Moscow café proposal is similar to an experiment already under way, described recently in the weekly Moscow News by Alexander Levikov, a leading economic journalist.

Mr. Levikov described new "citizens' cooperatives" formed for "the collection and processing of secondary raw materials and production waste," presumably materials such as leather or wood.

He said the cooperatives, made up of from five to 50 people, could apply to the local council, establish their own rules and receive "credits, rent equipment and transport."

"You pay tax and make your enterprise highly profitable," he

See MOSCOW, Page 6

On Wall Street, a $100-Million Fine Shakes the Speculators

By James Sterngold
New York Times Service

NEW YORK — The announcement that Ivan F. Boesky, Wall Street's largest and best known speculator in takeover stocks, had admitted to illegally profiting from inside information could make it more difficult for financial entrepreneurs to take over voting control of major corporations.

A number of executives in the securities industry said there might now be fewer takeovers forced by powerful speculators, or arbitrageurs, as well as less rampant speculation on which company would be the next target of a corporate raider.

There was also widespread concern that the size of the excesses exposed could outrage the public and Congress so much that restrictive new legislation might be imposed, although key members of Congress seemed to be taking a wait-and-see approach.

Legislators, in praising the investigation by the Securities and Exchange Commission, said that it was too early to tell if the commission needed broader enforcement powers.

"The committee and I are watching this closely," said Representative John D. Dingell, Democrat of Michigan who heads the House Energy and Commerce Committee.

A spokesman for Senator William Proxmire, Democrat of Wisconsin who is likely to head the Banking Committee in the 100th Congress, said Mr. Proxmire would also be willing to explore whether the Securities and Exchange Commission needed additional enforcement tools.

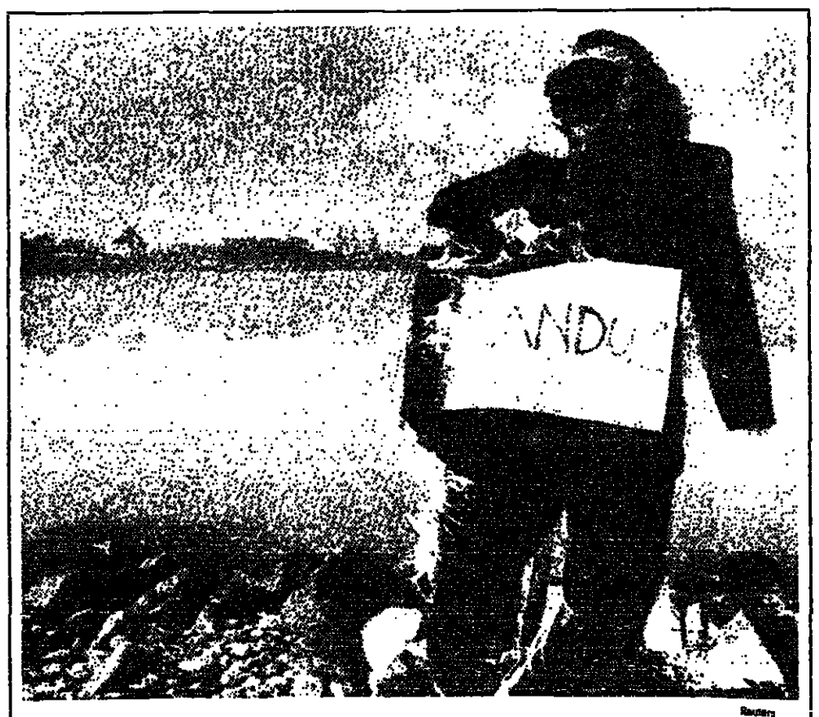
Mr. Boesky, chief executive of the investment firm Ivan F. Boesky & Co., was charged with making, in one year, more than $50 million in profits through the illegal use of company information not available to the public. The Securities and Exchange Commission announced Friday that Mr. Boesky had agreed to return the profits plus a $50-million penalty.

"My first reaction is that this will prove all the suspicions that the public might have that Wall Street is just full of a bunch of insiders taking advantage of them," said John H. Gutfreund, the chairman of Salomon Brothers, Wall Street's largest investment bank. "You have to remember that generally we do perform an important function and we are generally decent people. I'm perturbed by the fact that we all get tainted."

The "risk arbitrage" that Mr. Boesky and more than 100 other investment partnerships and Wall Street brokerage houses practice often centers on making big bets on the likelihood of one company's stock being bought out by another in a friendly or unfriendly transaction.

The actions of the arbitrageurs, who buy up large blocks of

See TAKEOVER, Page 6



Reuters
Demonstrators Protest Pollution of Rhine
Ecologists in Chalampe, on the French bank of the Rhine, burned an effigy marked with the name of the Swiss chemical company whose Basel warehouse caught fire Nov. 1, badly polluting the river. In Basel itself, about 200 demonstrators held a symbolic funeral for the Rhine. Page 2.

Congress-White House Clash Possible on Dealings With Iran

By Stephen Engelberg
New York Times Service

WASHINGTON — Members of Congress say that they will demand that President Ronald Reagan's foreign policy advisers explain their dealings with Iran.

Several members of the Senate and House of Representatives said Saturday that they would challenge the Reagan administration if it tried to prevent members of the National Security Council staff from testifying before congressional committees.

The administration has previously rebuffed such requests, citing "executive privilege," the president's right to keep dealings with his personal staff private.

"The bottom line is they can't avoid oversight," said Representative Dave McCurdy, Democrat of Oklahoma, who is on the House Intelligence panel. "When the National Security Council staff steps outside its role of being an adviser and becomes an executor of foreign policy and the transferrer of arms, clearly they fall into our jurisdiction."

Both the House and the Senate Intelligence committees have scheduled hearings for Friday on the dealings with Iran.

Executive privilege is the doctrine under which the administration, like others before it, has claimed that internal deliberations do not have to be disclosed to the two other branches of government. The issue has arisen repeatedly over the years and has long been a source of conflict between Congress and presidents.

Members of Congress said they wanted a detailed accounting, from National Security Council staff members who were directly involved, of what arms were sent to Iran, both by the United States and Israel.

Mr. Reagan, in a speech Thursday evening, said the amount of parts shipped to Iran by the United States could fit into a cargo plane that carries approximately 100 tons. But congressional officials want to know the size and type of shipments made by Israel at America's behest.

■ Allies Express Anger

Judith Miller of The New York Times reported from Istanbul:

NATO legislators reacted with sorrow and anger on Saturday to disclosures that the United States had secretly sent arms to Iran and they urged the allies to take a tough stand against terrorism.

"We feel horror and disgust," said Kevin McNamara, a British Labor Party member. "I am in the opposition, but most of our delegation here feels that Reagan has really let Margaret Thatcher down."

Earl de la Warr, a British Conservative, echoing his colleague's sentiment, said: "It has really hurt American credibility in the fight against terrorism."

Equally harsh words were voiced by French delegates to a session of the North Atlantic Assembly in Istanbul. The assembly provides a forum in which legislators from the 16 members of the North Atlantic Treaty Organization can discuss matters of common concern.

François Heisbourg, a French defense analyst, voiced disappointment in the decision to send arms to Iran.

"You — the strongest nation in the world — have permitted your foreign policy to be significantly manipulated by the Iranians," Mr. Heisbourg said. He said the American action would serve to increase hostage-taking and reinforce extremist tendencies in Iran and other radical Middle East nations.

"When these people see what they can get by threatening the lives of a few innocent people, why shouldn't cynical states use this ploy?" he said.

West European reaction may be reflected in a resolution to be voted on Monday. The resolution, proposed by an Italian Christian Democrat, Angelo Bernassola, asks NATO members "to commit themselves never to negotiate with terrorists, their backers or protectors." The resolution is widely viewed as directed at the United States.

Meanwhile, at a news conference in Washington on Saturday, Prime Minister Margaret Thatcher of Britain refused to be drawn into any criticism of Mr. Reagan's contacts with the Iranians.

"I'm not going to add to what the president said," she said after talks with Mr. Reagan. "He made his views absolutely clear. We have diplomatic relations with Iran and recognize its importance as a country."

She added that Britain was neutral in the Iran-Iraq war and had not sold lethal weapons to either side. "I believe implicitly in the president's total integrity on that subject," she said.

■ Iraqi Denunciation

Baghdad accused Washington on Saturday of "playing a dirty game" by shipping arms to Iran, which has been at war with Iraq for six years, The Associated Press reported from Baghdad.

Baghdad radio quoted an Iraqi spokesman as saying: "Iraq profoundly regrets, even denounces, that attempts by the U.S. administration to establish relations with Iran should include supplying the Iranian regime with quantities of military supplies, whatever their volume or nature."

"Iraq, as a responsible state, does not object to any state having normal and good relations with any other state even if it is Iran, which is waging an aggressive war against us," the radio quoted the spokesman as saying, "as long as these relations do not threaten Iraq's safety, security and sovereignty and do not help prolong the war."

Pact on Mid-Range Arms Harmful To NATO, Alliance Commander Says

Reuters

ISTANBUL — An agreement to eliminate medium-range missiles from Europe would leave NATO in a worse position than it was in seven years ago, according to the Western alliance's commander.

General Bernard W. Rogers of the United States, the North Atlantic Treaty Organization's Supreme Allied Commander in Europe, said the "zero option" almost agreed to in Reykjavik increased the overall threat to West Europeans from short-range missile systems and greater Warsaw Pact conventional forces.

"There is a greater risk and it is on the back of the West Europeans," General Rogers said at a joint meeting Saturday of the political and military committees of the North Atlantic Assembly.

General Rogers said of his feelings on the proposal to remove all medium-range missiles from Europe: "From a military point of view it gives me gas pains."

In Iceland, Ronald Reagan and Mikhail S. Gorbachev almost agreed that the United States would withdraw its cruise and Pershing-2 missiles from five West European countries in exchange for a similar withdrawal by the Soviet Union of its SS-20s stationed west of the Urals.

In the end, the talks foundered on the U.S. Strategic Defense Initiative missile-defense system.

General Rogers said forward deployment of shorter-range SS-21s, SS-22s and SS-23s by Moscow meant that NATO would be "in a worse position than 1979" with a zero agreement.

General Rogers, who also warned of a widening imbalance between the conventional forces of NATO and the Warsaw Pact, said the zero option would have to be accompanied by "balanced, verifiable reductions" in shorter-range ballistic missiles and conventional forces.

The United States says any intermediate-force agreement should include a freeze on some of Moscow's short-range missiles systems.

But General Rogers appeared to go further by saying that an accord on intermediate forces should also be linked with moves to resolve the imbalance of conventional forces.

Earlier, in a prepared speech to the meeting, General Rogers said it was his major concern that the gap between the conventional forces of the opposing alliances was widening every year in the Warsaw Pact's favor.

"The day will arise when the military situation for our defensive alliance is beyond restoration," he said.

"With the backdrop of that massive conventional force that they have in the East," he said, "we'll find ourselves being subject to intimidation, coercion and blackmail and accommodation with the East."

General Rogers said that under current conditions he would have to ask NATO's politicians for permission to resort to nuclear weapons "fairly early" in a war.

Swedish Official Protests French Visa Measures

Reuters

STOCKHOLM — Foreign Minister Sten Andersson of Sweden has canceled a visit to the European Council in Strasbourg, France, to protest French visa controls, the Foreign Ministry said Saturday.

A spokesman said Mr. Andersson did not accept having to apply for a visa to attend a ministerial meeting at the council. The Swedish government has protested twice against the controls, which were imposed by France in September as an anti-terror measure, on the ground that they were an obstacle to European cooperation.

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Foth Sorbas/Reuters

Sir Geoffrey Johnson Smith, right, chairman of the military committee of the North Atlantic Assembly, speaking in Istanbul. At his side is General Bernard W. Rogers.

■ 'Cosmetic' Withdrawal

Foreign Minister Knut Frydenlund of Norway said that the nuclear missiles that the Soviet Union says it has withdrawn from the Kola peninsula were removed "a couple of years ago," Reuters reported Sunday from Oslo.

Additionally, the Norwegian Foreign Policy Research Institute said the nuclear missiles were obsolete and were removed three or four years ago.

Tomas Ries, a military expert at the institute, said that the announcement in Helsinki last week by the Soviet party ideologist and No. 2 Politburo member, Yegor K. Ligachev, was "cosmetic and cynical."

The London-based International Institute for Strategic Studies said in a January 1985 publication that Moscow had withdrawn the weapons because longer-range missiles sited deeper inside the Soviet Union made them obsolete.

Mr. Ligachev said all launch sites for medium-range rockets had been dismantled in Kola, which borders on Norway and Finland and is the base for the Soviet Northern Fleet.

Finland's biggest newspaper, the Helsingin Sanomat, said in an editorial Saturday that the military significance of Mr. Ligachev's announcement should not be exaggerated.

"Missiles can be targeted into the Nordic area from as far away as the Urals," the newspaper said.

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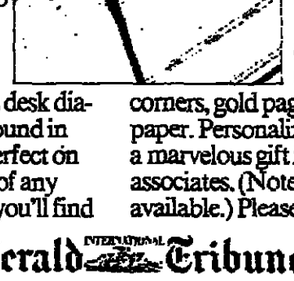

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17-11-86

Basel Protesters Hold 'Funeral' for Rhine River

By Thomas Netter
Special to the Herald Tribune

BASEL, Switzerland — They buried the Rhine River over the weekend, in a symbolic funeral march of about 200 people, accompanied by a mournful dirge.

Outside town, near the Sandoz AG chemical warehouse, people gathered at the site of a disastrous Nov. 1 fire and chemical spill to show their displeasure once again.

While the two new protests were smaller than those that have filled Basel's cobblestoned Marktplaz several times since the fire at the warehouse of Sandoz, one of Switzerland's largest chemical companies, they showed that anger over the chemical disaster still lingers.

That anger continued to spread Sunday as Chancellor Helmut Kohl of West Germany, in an interview with a south German radio station, called the incident "intolerable."

He urged the Swiss authorities to make public what safety measures they plan after what is widely seen as Western Europe's worst environmental disaster in a decade.

The Swiss authorities and officials of Sandoz have promised to announce new safety measures this week, as a cleanup of the river near the site of the fire begins.

Basel officials plan to vacuum-clean about 660 pounds (about 300 kilograms) of poisonous pesticide, herbicide and fungicide residue from the river silt over about two weeks.

About 30 tons of chemicals are believed to have entered the river, but most of it has washed downstream.

Officials from Basel to the North Sea have expressed grave concern over a mercury-compound herbicide, called ethoxyethyl-mercury-hydroxide, that went into the river.

Benedicht Hurni, the chief of water monitoring in Basel State, said he believed most of the 1.9 tons of pure mercury it contained had gone up in smoke in the fire, while about 440 pounds (200 kilograms) went into the river.

"This is bad because we don't like mercury," Mr. Hurni said, adding that 1.9 tons equaled about 20 percent of all the mercury that enters Switzerland's atmosphere in a year. Mercury can be lethal if ingested in large amounts.

Thomas W. Clarkson of the University of Rochester medical school in New York said in a telephone interview that he believed that much of the mercury had washed downstream and had been diluted, based on an analysis of preliminary reports.

He added that, unless someone ate substantial amounts of contaminated fish in the coming years, there was no significant danger to health.

Such comments, coming after a wave of condemnations from West German, French and Dutch officials have saddled this city with an image it would like to forget.

Until Nov. 1, Basel prided itself on being the home of Switzerland's greatest art museum, its oldest hotel and tavern, and its cultural center.

But in the past two weeks, it has been dubbed "Chernobasel," and "Bhobasel," references to the Chernobyl nuclear accident and the Bhopal chemical leak that killed about 2,000 people.

On Sunday, there was little if any suggestion that anything untoward had happened. Strollers took advantage of a sunny, cloudless fall day to walk by the river banks and visit cafes in the old town.

Birds flocked to people offering handfuls of grain and bread crumbs, an image that clashed with graffiti admonitions that "Basel is dying," "Basel bleeds," and "Basel is dead."

"Thanks to the firefighters, and above all to the fates, next to the chemistry industry, there still remains in Basel the Baslers," said a commentary in the Basler Zeitung's Saturday edition.

"Calcutta still sits on the Ganges, Basel still sits on the Rhine. Only Utopia still remains somewhere to be found," the newspaper added. "That it is found has recently been shown to be a fundamental imperative."

Couple's Rings Lead to Arrest

Los Angeles Times Service

SACRAMENTO, California — Two prison sweethearts involved in a helicopter prison escape earlier this month were arrested Saturday when they returned to a jewelry store to pick up wedding rings they had purchased.

Ronald J. McIntosh, disguised in glasses and a hat, and Samantha Dorinda Lopez, wearing a brown wig, surrendered without a struggle after 15 federal marshals closed in on them at a shopping mall in a suburb of Sacramento.

Federal marshals had been seeking the couple since Nov. 5, when Mr. McIntosh, who previously had escaped from the Federal Correction Institute about 40 miles (about 65 kilometers) east of San Francisco, flew back to the prison in a hijacked helicopter, swooped down into the yard and lifted Miss Lopez to freedom.

WORLD BRIEFS

Blast Hits IBM Center in Heidelberg

HEIDELBERG, West Germany (UPI) — A time bomb exploded early Sunday at a research center of International Business Machines Corp., causing at least $1 million in damage to the building's glass facade and ceilings inside, the police said. No one was hurt.

Two clergymen who had received anonymous telephone warnings about 10 minutes before the bombing alerted the police. The bomb, which had been placed on an outside wall on the ground floor, exploded as the police arrived. They said they saw a vehicle, possibly a station wagon, speed away.

A letter found on the fence surrounding the IBM center claimed responsibility for a group calling itself Fighting Unit Hind Alameh. Hind Alameh was a member of the Palestinian group that hijacked a Lufthansa flight to Mogadishu, Somalia, in 1977. The passengers were freed in an assault by West German commandos.

Israelis Raid Bases in South Lebanon

SIDON, Lebanon (Reuters) — Two Israeli planes raided three Palestinian bases near the Ain al Helweh refugee camp in southern Lebanon on Sunday, wounding four persons, the police said.

The planes strafed the bases in the Darb al-Sim area, east of Sidon, for 15 minutes, witnesses said. Black smoke billowed from the site, but there were no immediate reports on the damage. It was the 14th Israeli air raid in Lebanon this year. The camp is the home of at least 30,000 Palestinian refugees.

Meanwhile, in Jerusalem on Sunday, about 200 Jews stoned Arab homes, set fire to a store and smashed car windows during the funeral procession for Eliahu Amedi, 22, a Jewish student who was stabbed to death in the Old City on Saturday. Four persons were arrested. An Israeli official said the government believed that a Syrian-based Palestinian guerrilla group was responsible for the stabbing. The police said that three Arab youths had confessed.

Attack on Afghan Rebels Reported

ISLAMABAD, Pakistan (AP) — Soviet and Afghan government forces bombarded Moslem guerrilla positions this weekend, killing and wounding dozens, rebel officials said. The insurgents said Sunday that their forces were holding on and had shot down two helicopter gunships.

Guerrilla officials said fighting raged across a 12-mile (20-kilometer) belt along the Pakistani border in Afghanistan's Ningrahar Province as the Soviet and Afghan armored columns advanced on guerrilla fortifications. The attack appears to be a major drive to close supply routes used by the guerrillas for transporting weapons and supplies across the border.

A guerrilla official said at least 16 rebels had been killed and 30 wounded in bombing and artillery attacks around positions at Nazian. The official had no details on losses in other areas, but guerrillas have said they are losing men while refusing to give figures.

2 Former Ministers Slain in Lesotho

JOHANNESBURG (AP) — Two former ministers in the cabinet of Leabua Jonathan, who was deposed as prime minister of Lesotho in January, were among five persons abducted and shot to death on Saturday, the South African Press Association reported Sunday.

The press agency identified the victims as Vincent Makhele, the former foreign minister, and Desmond Sixishe, the former information minister.

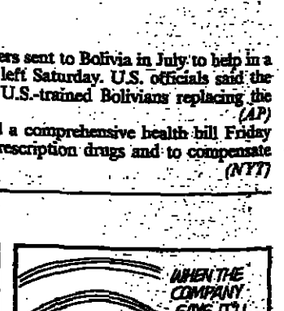
The press association quoted a relative of one of the victims as saying the former officials, their wives and a male friend had been abducted Saturday night from the friend's home in the university town of Roma in Lesotho.

Top Seeds Leading in Chess Olympiad

DUBAI, United Arab Emirates (AP) — The top seeds in the 27th Chess Olympiad in Dubai beat their less-experienced opponents to score 4-0 victories in the first round Saturday.

In the matches, Hungary beat Venezuela, Yugoslavia beat Thailand, and the United States beat El Salvador. The Soviet Union, which is favored to win, scored three victories against Lebanon, with one game adjourned. In the adjourned game, the Soviet grandmaster Rafael Vaganian has an extra bishop and was expected to win against Moumir Tawbeh when play is resumed Sunday.

Puerto Rico forfeited its match against second-ranked England because of a dispute with the Dubai organizers. The Puerto Ricans claimed that one of their players had been given the wrong rating and that this caused them to play England rather than a weaker team.



Reuter

Boris Spassky, the former world champion, playing for France Sunday in Dubai.

Boy Killed in New Caledonia Unrest

NOUMEA, New Caledonia (Reuters) — A 14-year-old boy was shot to death and 12 persons were injured in an outbreak of violence in New Caledonia during the weekend.

The clashes occurred Saturday after a meeting by a rightist party, Rally for Caledonia in the Republic, which opposes independence for the French Pacific territory.

In Paris, Bernard Pons, the overseas territories minister, said in a statement that 30 persons had been detained and that measures were under way to restore order. He added: "Extremists close to the supporters of independence must know that all attempts to return to disorder will not be tolerated and that the government, while acknowledging the pain of the young victim's family, will in no way confuse readiness for dialogue and weakness."

For the Record

The last contingent of U.S. soldiers sent to Bolivia in July to help in a crackdown on cocaine trafficking left Saturday. U.S. officials said the crackdown would continue, with U.S.-trained Bolivians replacing the U.S. soldiers. *(AP)*

President Ronald Reagan signed a comprehensive health bill Friday designed to promote exports of prescription drugs and to compensate children injured by vaccines. *(NYT)*

DOONESBURG

AMERICAN TOPICS

Nader Finds Fraud In Utility Metering

The meters that measure how much gas a stove draws, how much electricity a freezer consumes or how long a telephone call lasts are, by accident or design, cheating the American public of billions of dollars a year, according to a study directed by Ralph Nader, the consumer advocate.

"For centuries the thumb on the scale has been a problem," Mr. Nader told The New York Times, and it persists in its modern form, utility meters.

The study gives no statistics because to do so, he said, would have taken forever. Instead, it recounts court cases, investigations and individual complaints. For example:

- The Hudson Oil Co. of Westwood, Kansas, was convicted in 1983 of adjusting its filling-station pumps in 16 states so that customers paid for about 3 percent more gasoline than they got.
- The National Highway Traffic Safety Administration said that in a sample of 1,150 rental cars that were resold, 93 percent had had their odometers set back to show less mileage. On a national scale this single fraud costs buyers $1.5 billion a year.
- Ronald Chernow, a telephone "bounty hunter" who makes a living tracking down telephone overcharges, has received such refunds from New York Telephone as $24,000 for the March of Dimes fund and $172,000 for Olympic Airways.

Short Takes

The British Embassy in Washington, on invitations to a Scotch whisky tasting, noted diplomatically that "transportation, for those who wish it, will be available at the end of the evening." The invitation did not use "transport," the British term. One meaning of "transportation" in Britain is banishment to a penal colony. No figures were available on how many guests took advantage of the offer but none were known to have found themselves in chains aboard a convict ship the morning after.

Breaking up family fights is far from being the most dangerous of a policeman's duties, according to the National Institute of Justice. Its study said that three times more policemen are killed in robberies than in domestic disturbances, which are at least four times as numerous. "There is a risk," the study said, "but other police assignments are far more dangerous."

The Commission on Judicial Conduct in New York state has determined that Lee Vincent, a dairy and potato farmer, should be removed from his part-time job as justice in the town of Malone because he kept putting things off. It said he delayed depositing fines and bail money, "sometimes for as long as seven months," and cleared his books by discharging cases in which the defendants had already pleaded guilty. Mr. Vincent, 41, conceded, "I did not make myself do what I should have done."

Shorter Takes: The U.S. Food and Drug Administration, seeking to further reduce the menace of acquired immune deficiency syndrome, or AIDS, has added prostitutes and their recent clients to its list of people who should not donate blood. • The salmon run in the Columbia River in the Pacific Northwest is the biggest in decades. Experts credit measures taken by the United States and Canada to reverse the effects of development, pollution, overfishing and river dams.

Notes About People

Forty-two years ago Lady Bird Johnson paid $40,000 for two Austin, Texas, radio stations, now KLBJ-AM and KLBJ-FM. This month the widow of President Lyndon B. Johnson sold them for a reported total of $27.5 million to a New York group.

President Ronald Reagan plans to appoint Alfred H. Kingon, his assistant for cabinet affairs, as U.S. representative to the European Community in Brussels, according to White House sources quoted by The New York Times. Mr. Kingon, 55, is a former Wall Street investment adviser who worked in Mr. Reagan's 1980 presidential campaign, as did the man he is expected to succeed, J. William Middendorf 2d.

After John Kenneth Galbraith, the economist, author and diplomat, had held forth for an hour or so at a Washington press breakfast to launch his 25th book, "A View from the Stands," the chairman asked Catherine Galbraith, Mr. Galbraith's wife for 49 years, for her thoughts. "I'm struck speechless," she said. "I'm so used to listening to him."

—ARTHUR HIGBEE

Tom Sohyer/Reuters-UPI

A LAWYER, AGE 17 — Stephen Baccus and his parents, James and Florence Baccus, celebrated in Miami after he was sworn in by the Florida Bar Association as the state's youngest lawyer ever. The Florida Supreme Court waived the minimum age requirement of 18 for Mr. Baccus, who got his bachelor's degree at 14 and a law degree at 16.

Preschools Pushing Too Hard, Study Says

By Barbara Vobejda
Washington Post Service

WASHINGTON — Preschools are pushing children too hard and too early to achieve academically, leading to childhood stress, depression, burn-out and learning problems, two major education organizations have warned.

The problem of scholastic "force-feeding" of preschoolers has become particularly acute over the past decade, as many educators and parents push for earlier academic programs and the number of 3-, 4- and 5-year-olds in school skyrockets, officials from the organizations said Friday.

"Education is being conceived of as a race and if you start early you'll win that race," said David Elkind, president of the National Association for the Education of Young Children. "It is stressful for children."

Mr. Elkind's organization has adopted a strong position urging that preschools reduce their emphasis on teacher-oriented, academic lessons and allow children to learn in a less stressful environment by initiating their own activities, talking to people and solving problems, such as balancing blocks or putting together puzzles.

The notion of teaching children academic skills at very early ages gained popularity in the late 1960s and 1970s, with parents exposing their toddlers to classical artwork and music and drilling them in math and reading.

The group's statement was prompted by a growing body of research on the subject and a doubling of the number of 3- and 4-year-olds in school since 1970. It was released Friday in conjunction with the National Association of Elementary School Principals.

The warning comes at a time when public schools face increasing pressure to provide all-day kindergarten and preschool programs and when the number of working mothers and single-parent families is creating additional need for the programs.

There also are other forces at work: a growing number of disadvantaged children for whom early education is considered essential to later success, and a wave of parents looking for early academic prowess in their children.

Mr. Elkind said these pressures and research from the 1960s stressing the academic potential of young children has led preschools to commonly teach a watered down version of first-, second- and third-grade curricula.

"With increasing numbers of young children being exposed to these inappropriate teaching methods, there is a real danger that large numbers of young children will experience learning problems at an age when, in the past, most children were not even in school," said Mr. Elkind.

The problem affects private as well as public preschools and kindergartens and children from every socio-economic category, he said.

But an accumulation of research and evidence of increasing numbers of children suffering stress and later learning problems has led such educators as Mr. Elkind and others to warn against the academic focus in these programs.

University of Chicago professor Benjamin S. Bloom, whose research two decades ago helped start a movement of early education programs, agreed in a telephone interview Friday that programs should stress exploration and interaction, not academic skills.

"You don't teach them arithmetic at age 3 or 4," he said.

The average child is not ready to learn to read and perform math until about age 6½, according to Mr. Elkind.

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For U.S., Frustration at OAS Meeting

Its Policy on 'Contras' Is Unpopular, but So Are Sandinists

By Stephen Kinzer
New York Times Service

GUATEMALA CITY — The annual meeting of the Organization of American States here last week has left many U.S. officials frustrated over the policy of many Latin American governments who disapprove both of the Nicaraguan government and the rebels who are fighting to overthrow it.

The officials said they believe such a policy is fundamentally inconsistent.

During the weeklong OAS meeting, diplomats from several of the group's 31 member nations expressed distaste for the Sandinists on ideological grounds. At the same time, they condemned U.S. support of Nicaraguan rebels, known as "contras."

President Alan García Pérez of Peru is among the Latin leaders who has most strongly condemned United States support for the rebels.

The Peruvian delegate, Luis Gonzáles Posada, asked the OAS on Monday how it was possible "that an OAS member state can legally approve financing, training and arming an irregular army to attack another country that is also a member of the same organization."

Yet in Lima before the OAS meeting, Mr. García made clear that his country's outspoken criticism of the contras was not based on admiration for the Sandinist government.

A Latin American diplomat who specializes in Nicaraguan affairs said that the governments of most members of the OAS "are critical of the Sandinists, especially on the question of freedoms."

"At the same time," he said, "we don't support an insurrection against them."

Latin American diplomats expressed concern at what might come of increasing military aid to both sides in the Nicaraguan conflict.

"War or peace in the region is just around the corner," said Jorge Abadía Arias, the Panamanian foreign minister.

Efforts to renew stalled peace negotiations sponsored by the Latin American nations forming the Contadora group, which is seeking to ease conflicts in Central America, ran into obstacles at the OAS conference. The countries are Mexico, Panama, Colombia and Venezuela.

A meeting of concerned countries was called, but Costa Rica, Honduras and El Salvador refused to attend, citing what they said was a hostile attitude on the part of Nicaragua.

2 U.S. Courts Rule Against Drug Testing

By David G. Savage
Los Angeles Times Service

WASHINGTON — Two federal court rulings have cast new doubts on whether the U.S. government can test its workers for drugs.

In a case in New Orleans, seen as the first test of President Ronald Reagan's plan to examine 1.1 million federal employees for drug use, a federal judge ruled last week that urinalysis of all U.S. Customs Service workers seeking promotions was "a gross invasion of the right to privacy."

In another case, a federal judge in Chattanooga, Tennessee, ruled last week that the city could not routinely test its policemen and fire fighters for drug use. District Judge R. Allan Edgar, echoing recent opinions on the issue, said that broad, mandatory testing, without "reasonable suspicion" that individuals were using drugs, violated the constitutional protection against unreasonable searches and seizures.

Robert Tobias, president of National Treasury Employees Union, which brought the case in New Orleans, said he thought the Reagan program was "dead." He said, "The government might keep trying, but we think the courts have spoken clearly."

A Justice Department spokeswoman said officials there would not comment on the legality of the president's program until they had a chance to read the ruling.

Advocates of drug testing point out that neither a federal appeals court nor the Supreme Court had ruled clearly on the issue. None of the rulings speak specifically to whether testing is legal for private-sector employees.

On Sept. 15, Mr. Reagan signed an order requiring drug testing for federal employees in "sensitive positions." The White House estimated that 1.1 million of the 2.8 million civilian employees would fall under the order, but the program has yet to be implemented.

In August, before the president acted, Commissioner William von Raab of the Customs Service said he wanted to make his agency a model of a drug-free work place and ordered urine tests for new workers in his agency and for those seeking promotions.

However, Judge Robert F. Collins ruled that the urine sample required from customs workers was "a degrading procedure that so detracts from human dignity and self-respect that it shocks the conscience and offends this court's sense of justice."

Attorney General Edwin Meese 3d said earlier this year that he thought drug testing was legal. "By definition, it's not an unreasonable seizure," he said, "because it's something the employee consents to as a condition" of employment.

But Judge Collins explicitly rejected that reasoning, concluding that an employer could not require an employee to give up his constitutional rights as a condition of holding his job.

Only one week after the president announced his plan, a federal judge in Newark, New Jersey, nullified a required urine testing program for fire fighters in Plainfield, New Jersey.

Group Cites Return of 'Livable' U.S. Cities

By Benjamin Forgey
Washington Post Service

WASHINGTON — Ten years ago, an organization called Partners for Livable Places began studying, codifying and promoting the various ways so-called "intangibles" can advance the material well-being of cities.

The group, founded as a spin-off of the Design Arts program of the National Endowment for the Arts, has focused most of its attention on the "economics of amenity," in which parks, theaters, art museums and galleries, sports and recreational facilities, clean air and pleasant streets are valuable elements.

Now, as part of its anniversary celebration, the organization has published a catalogue of success stories, "Return of the Livable City: Learning From America's Best."

One prominent example of a city that has defied the bleak forecasts for a decaying downtown is Pittsburgh, partly because it started to clean up its act well before other major industrial cities, partly because city officials built a new stadium on the riverfront, and partly because of the city's physical setting.

In the 1940s, when asked what should be done with Pittsburgh, Frank Lloyd Wright is said to have responded, "Abandon it." In the early 1940s the air in Pittsburgh was so foul that downtown street and store lights had to be kept on throughout a typical day.

One significant factor in the city's turnaround is the consistency of its corporate and political leadership, which early on realized that much more needed doing to enhance and increase the vitality of the city.

A local financier, Richard King Mellon, is reported to have told a regional planning conference in 1945 that "Pittsburgh needs something to increase the enjoyment of living here and to induce business to come here."

This is prose, not poetry, but for its time it was visionary prose, and it helped to produce well-planned cultural facilities, parks and office development in the central district. The city has made strong efforts to reach into its working-class and middle-class neighborhoods, as well.

The Pittsburgh story is distinguished by the continuity of leadership and the outstanding availability of private wealth. Other cities were selected by Partners for Livable Places to illustrate different, and often surprising, scenarios:

- Lowell, Massachusetts, is a tale of turning perceived liabilities, such as abandoned textile mills and ruined canals, into assets. The mills, relatively inexpensive to renovate, now house law firms and high-tech enterprises, and the canals are part of a national historical park.
- Indianapolis is cited for its unorthodox and successful strategy to reincarnate itself "as the nation's amateur-sports capital and center of 'wellness.'" More than $180 million invested in sports facilities, complemented by health and fitness research in medical and pharmaceutical industries, has brought the city new money and a strong image.
- In Portland, Maine, ordinary citizens rebelled against the latter-day conventions of revitalization. Faced with a proposal for redevelopment of the city's docks in accordance with the proven formula of Baltimore's Harborplace and Boston's Faneuil Hall area, they countered with a strong campaign favoring a "working waterfront" of fisheries.
- Seattle has many stories, including a strong environmental push, the largest per capita public improvement program in the United States and creative, although not conclusively successful, efforts to wean itself from the dominance of the aircraft industry.
- Baltimore is cited for virtually everything that is good about the new "economics of amenity," including strong public-private cooperation and coordination, intelligible as well as intelligent long-term goals, creative and consistent leadership.

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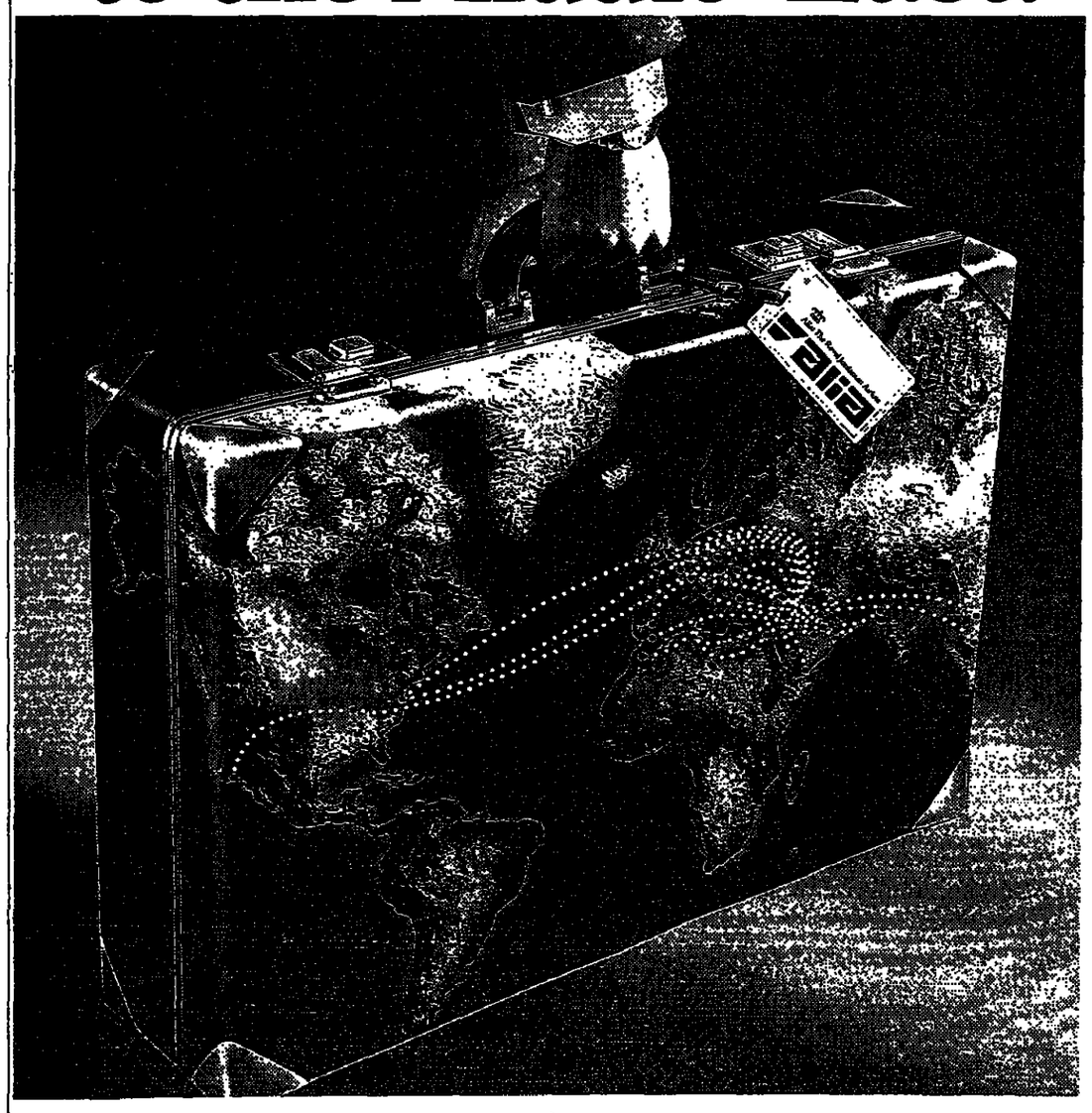

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Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Iran Is Just the Latest

At last, the president has at least brought the Iran mess out into the open. His public statement, though defensive and incomplete, belatedly launches a damage-control effort. But the larger signs remain unmistakable: The Reagan administration's foreign policy is coming unglued.

Look back over the last three months. The deal with Iran, which still has the odor of a hasty swap of arms for hostages, follows closely on the ill-prepared negotiations with the Russians in Reykjavik. That followed the Hasenfus arms-supply affair in Nicaragua, which came only days after exposure of the administration's disinformation policy of lying on Libya.

Mistakes, even a run of blunders, afflict every president at times. But what has been unfolding recently is a pattern of such questionable foreign affairs judgments and procedures as to raise fundamental doubts about competence in the White House.

Usually, in world politics, costs and benefits can be fairly disputed, and a president deserves the benefit of the doubt. Not so with the Iran escapade. It was perfectly sound to explore a strategic, post-Khomeini relationship with the more pragmatic Iranians. But the White House officials running the enterprise knew little about Iranian politics and personalities, and State Department experts evidently were left out.

To think that the secret contacts and arms shipments could be kept secret was hardly a sign of competence to begin with. Careful policy-makers would have calculated that, sooner or later, the secret would be exposed, and with it, the hypocrisy of administration demands that other countries stop shipping arms to Iran. Careful policy-makers also would have realized that, unless the probes were conducted with utmost care, a sensible initiative could be overwhelmed by pressure to free the hostages.

The same kind of carelessness marked Mr. Reagan's handling of the Iceland summit meeting. Sheer prudence, one of his best qualities, disappeared. When Mikhail Gorbachev surprised the American side with far-reaching proposals for nuclear arms cuts, the sensible answer was obvious: Let's both of us think the matter over. Instead, Mr. Reagan tumbled into a bidding war that ended up with his imprudent acceptance of Mr. Gorbachev's professed plan to eliminate all nuclear weapons within 10 years. The president is now trying to walk back from his hasty position, but has lost stature as a serious negotiator.

The administration's credibility was already an issue at home because of the Hasenfus case and seeming White House involvement in arms shipments to the "contras." The law required the administration to keep hands off military aid. The president's credibility was also wounded by disclosures that the administration was not simply playing "mind games" with Colonel Gadhafi but engaging in a deliberate campaign of deceiving press and public.

Almost forgotten already is the trade that was not a trade of Nicholas Daniloff for a Soviet spy, which invited the thought that the president was so eager for some quick public relations advantage that he unnecessarily compromised an important principle: Innocents do not get traded for spies.

Is there an underlying explanation for this lengthening string of misplays and mistakes? Was it the desire to make some big but risky scores for the U.S. elections? Now that the campaign is over, will Mr. Reagan follow his more natural prudence? Are the national security adviser and staff too shallow, too rigid or too eager? Is Donald Regan, the White House chief of staff, too inexperienced in foreign affairs? Or does the problem reside in Mr. Reagan's own ambition, in a desire for too many international spectaculars to cap his presidency?

A hallmark of Mr. Reagan's first term was his disciplined sense of priorities. Now, to laymen and leaders alike, he appears to be flailing. Priorities, and caution, need to be restored. Some adjustment in personnel may be needed. And stubborn partisanship needs to be kept on a tighter leash, especially now that the Democrats control all of Congress. Unless he undertakes such steps promptly, the president stands to lose opportunities for accomplishment. Even more worrisome, he leaves open the chance for more costly, lasting and global mistakes.

— THE NEW YORK TIMES.

Aquino's Trials Go On

Corazon Aquino, president of the Philippines, is safely back from Japan after a trip that prompted heavy worries about whether a coup might take place while she was gone. Her trials, however, go on. They center in a sense on Defense Minister Juan Ponce Enrile. He abandoned his longtime patron, Ferdinand Marcos, last winter and helped deliver the united military support that made Mrs. Aquino's triumph by "people power" possible and peaceful. But he then turned bitter critic, directing special attention to Mrs. Aquino's approach to the Philippines' communist insurgency. He also has seemed unashamedly ambitious to supplant her in power. Partly as a result, Mrs. Aquino's leadership has come under scrutiny, in the United States as at home, and doubt is being expressed about the future of democracy in a place where its return was hailed a triumph for American policy.

Some of Mrs. Aquino's troubles arise from a tendency for people to wonder whether the qualities of innocence and moral worthiness that helped her undo the old regime are useful now for bringing civil peace and political and economic renewal. At the same time, she sometimes has seemed to hesitate at making hard choices. Whether this is due to a calculated political style of building consensus and isolating unreconcilable adversaries or to indecisiveness is a question as yet unresolved.

This is the context in which alarming reports of a military plot against the Aquino government began circulating. The president, heading off on her recent trip to Japan, actually felt it necessary to caution against a coup. The chief of staff, General Fidel Ramos, a respected professional soldier who has emphasized his subordination to civilian authority, issued a stiff public warning to any "military adventurists" considering "rash" action.

Mrs. Aquino returned to Manila, still the president, having to face a crisis ignited by the murder of a leading unionist and politician of the left, Rolando Olalia. Nowhere is she under harsher pressure, however, than in respect to the strong and long-running insurgency of the communist New People's Army. Minister Enrile's complaints that she is not tough enough on the guerrillas have gained a wide audience.

Currently Mrs. Aquino is engaged in a sensitive cease-fire negotiation with the rebels. They ask her to grant legitimacy and even to cede some territorial control. But she is the legitimate leader, and Philippine democracy now offers the only legitimate political process. She is right to offer reconciliation with the new, imperfect but improvable democratic order, but she must expect and enforce loyalty to it by all of her country's citizens.

— THE WASHINGTON POST.

Other Comment

Iran Episode Is Useful Lesson

As much as Ronald Reagan's duplicity on Iran cost the United States abroad, the greater damage was at home. Many Americans gave their utmost trust to this actor-president. Anyone who watched Mr. Reagan vowing never to negotiate with terrorists while slipping arms under the table to the ayatollah may be pardoned for thinking all politicians are liars.

We cannot afford to give up on the system, however. Churchill said it best: "Democracy is the worst form of government on earth — except for all the rest." Mr. Reagan's betrayal of trust is a hard lesson but can be a valuable one. Skepticism is not the same as cynicism. Hard-eyed vigilance is still a big part of freedom's price.

— Jim Fain, for Cox News Service.

The ruling elite of the biggest imperialist power, which trampled upon Grenada and masterminded a "contra" war against Nicaragua and several other freedom-loving countries, has turned terrorism into the basis of its foreign policy. This elite is also portraying itself as a force against terrorism. A legitimate question being asked is: How can one believe those who say one thing while doing the opposite?

— Pravda (Moscow).

President Reagan has, at best, been extremely ill-advised. But although critics have not been slow to point to the ironies in the American position, there can be no serious doubt over the continuation of Washington's firm line against terrorism. If there were, then his decision to adopt economic sanctions against Syria must surely have removed them.

— The Times (London).

Mr. Reagan insists that it was not a question of a swap or bargaining and that his country maintains a categoric refusal to negotiate with terrorism. He is not persuasive. And a few sanctions against Syria will not dissipate the impression that the White House speaks in double talk.

— Le Monde (Paris).

The United States has damaged its credibility with its secret arms dealing with Iran, dealt a hard blow to moderate Arab countries that have supported Iraq in the Gulf war, and, paradoxically, encouraged pro-Iranian terrorist groups to capture more Americans as hostages to be exchanged for arms shipments.

— Corriere della Sera (Milan).

It should be easier to initiate reasonable talks between the United States and Europe about how to counteract state support to terrorists after Mr. Reagan's explanation about the contacts with Iran.

— Berlingske Tidende (Copenhagen).

If Iran does not get its way in talks with the United States, it will be tempting to pick up another American in Beirut.

— Trouw (Amsterdam).

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OPINION

The Iran Opening: A Burden, a Responsibility

By Fouad Ajami

NEW YORK — As President Reagan now describes his overture toward Iran, it is an optimistic bet on Iran's moderation. There may be something to this. Modest results may yet vindicate his try: He has indicated to the Iranians that America was willing to let bygones be bygones, and conceivably he has positioned the United States to be an honest broker in the conflict between Iran and its regional rivals. But President Reagan may well lose the bet. The course of Iran's revolution is beyond America's power.

President Reagan's statement that "the Iranian revolution is a fact of history" has clearly transformed the terms of the debate about the administration's dealings with Iran. With this statement, we are beyond the charges about trading hostages in Lebanon for weapons to Iran. All along, Mr. Reagan now says, it was a larger prize that he was after: reconciliation with Iran.

For the Reagan administration, this novel claim — made under duress, in the shadow of controversy — will not be easy to walk away from. In the phase ahead, the opening to Iran will be part burden for Mr. Reagan and part opportunity.

The burden is easy to see. The president will have to show some evidence of Iran's moderation; he will have to demonstrate that his overture to what some Reagan officials describe as the moderate faction in Iran is worth a break with the American policy of the past several years.

The risk is that Iran will make his hopes look silly and naive. From a forbidding distance, the administration purports to understand Iran's factions. A place beyond America's scrutiny is suddenly talked about with some familiarity. The Reagan officials have fixed the radical label onto the Ayatollah Ruhollah Khomeini's designated successor, Ayatollah Hussein Ali Montazeri. The moderate label has been assigned to the speaker of parliament, Hashemi Rafsanjani. But all of this is guesswork.

In a revolutionary situation of the kind that obtains in Iran, the presumed moderates, if indeed there are any, may scurry for cover and change their tune; or the ground underneath them may crack as the true believers turn against them with a vengeance. So long as the authority of Ayatollah Khomeini is not on the side of a coming to terms with the world, it is wishful thinking to place great faith in a moderate camp. We have been here before, with Iran's first post-revolutionary president, Abolhassan Bani-Sadr, and men of his outlook. The revolution devoured them. There is no assurance today that men of moderate politics may fare any better than that first liberal group of the revolution's adherents.

But if the "mellowing" of the Iranian revolution may still be just a claim or a matter of speculation, there is some evidence that the reach of Iran and its power to disrupt the region around it have passed their peak.

As matters hold in the Gulf, there is a standoff between the theocratic revolution of Ayatollah Khomeini and the status quo in the neighboring states. Iran's revolution has offered others in the Moslem world a reign of virtue, a break with routine, a Utopia. But Iran's neighbors have on the whole turned away from Iran's Utopia. The messiah of the Iranian revolution has failed to incite men in the Arab world to take up his cause. The familiar order of things in the states in the Gulf — the attachment to property, the familiar men at the helm of political power — withstood the revolutionary upheaval. Men preferred the world they knew and its compromises and security to the promise of revolution.

Thus, timing may be on the side of Mr. Reagan's overture; but it was not really American power that hemmed in Iran's revolution. The social and economic forces that brought about the Iranian revolution were Iran's alone. These forces had no equivalent in the less developed Gulf states. And the symbols of Shiite Islam, which gave Iran's disoriented masses the daring and the ethos of rebellion, were the symbols of a minority sect within the larger world of Islam.

Only at some distance from Iran, in Lebanon, did the Shiites rally to Iran's cause. The Shiites of Lebanon provided Iran with a convenient setting in which America and France could be harassed, in which the example of the revolution could be displayed at minimal cost. But even in that hopeless country of warring sects, the Shiite rebellion sprang out of Lebanon's own situation — out of a deep sense of disinheritance and a decade of Israeli-Palestinian war.

In Lebanon and throughout the region, the issues raised by Iran's revolution were issues of the social contract in the Arab world. And these are issues that America could approach with equanimity and with no great partisanship. There is no case whatsoever that America should make the internal arrangements of Middle Eastern societies its concern.

If the war between Iran and Iraq tests the fabric of the Iraqi state, so be it. Since its emergence as a modern state, Iraq has been ruled by a minority sect — Sunni Arabs, who constitute only 20 percent of the population — to the exclusion of the Shiites and the Kurds. The panic of Iraq's rulers is thus understandable.

But the panic of Iraq cannot be that of America. Nor should the United States worry that a "domino theory" applies to the states of the Gulf. Even if the Iraqi state were to be defeated — something that no minor supply of spare parts to the Iranians could bring about — it is simply not true that a terrible future is in store for Iran's other neighbors.

In Saudi Arabia and in the smaller states of the Gulf, the political order corresponds to the political culture and sensibility. Unlike the shah, the rulers there have refrained from playing with fire; the faithful were not offended as they were in Iran, and the pretentious were kept to a minimum. For all the talk of an imminent upheaval that would sweep away the conservative order of pro-American states in the Gulf, that order has remained intact. What problems it faces in the years ahead have less to do with external subversion than with familiar internal problems of political order and economic viability.

With or without the issues raised by the Iranian revolution, the Middle East has begun to come to terms with its economic limits. This is a region falling behind the rest of the world in economic skills and productive capacity. Americans have been fixated on the political drama of the place. But beyond the headlines lie the grim facts of a severe economic contraction. A decade of oil wealth has come to an end. There are enormous problems of adjustment as men come down to earth after a period of abundance, as guest workers in the Gulf return to societies that can not provide for them, as men awaken to the fact that they have bulldozed a traditional world and its rhythms and its ways without erecting a new one in its place. Americans have been hearing the region wail for itself. Very little of this has to do with the sermons and the sedition of Iran's mullahs.

The Reagan overture toward Iran has not altered what for the United States remains a difficult Middle Eastern landscape. It is not within America's power to exorcise the troubles of this tormented region or to make the place work or produce. The fragments of America that will survive in the Moslem world — the economic interests, the cultural institutions and ties, the political bonds — will do so to the extent that the people in the region share them.

By offering the Iranians an olive branch and speaking of the legitimacy of their revolution, President Reagan has in effect declared U.S. neutrality in the great ideological schism in the Moslem world between the Iranian revolution and its enemies. If the Gulf war has almost run its course, it is because men there have tired of hacking away at one another. America might then play the part of mediator that the local players themselves want it to play. The best America could hope for is that it is returning to the scene at an opportune moment. But the play and its passions belong to others.

The writer is a professor of Middle East studies at the Johns Hopkins University's School for Advanced International Studies. He contributed this comment to The New York Times.

New Approaches From Israel, America

By Avigdor Haselkorn

LOS ANGELES — Without a doubt, the timing of Israel's nuclear "bomb in the closet" policy was influenced by the sad experience of the Iran-Iraq war.

Israeli leaders watched in horror as the Iraqis used chemical weapons on the battlefield and as both sides bombarded each other's cities with surface-to-surface missiles. Former Prime Minister Shimon Peres has spoken of the next war in the region as one that would differ totally from past wars for all involved.

Israel responded to the growing muscle of radical regimes in the Middle East by adopting a new deterrent posture, signaling a greater willingness to turn to nuclear weapons. The United States also has been seeking new approaches to stability in the region. It became evident that "the Libyan solution" would not be applied to Syria or Iran. Syria's military capabilities and links to the Soviet Union constrained America's ability to exert military pressure on Damascus. And a forceful response to Iran's outrages might have pushed Tehran into the Soviet embrace.

Relying on Iraq to contain Iran had become unrealistic. If anything, the deterioration in Iraq's position in the war added to the urgency of Washington's dilemma. A whole array of ill-fated consequences would follow if Iran emerged victorious. Yet America's ability to influence Iran remained severely limited.

Other concerned states could not sit by while Iran gathered strength. So, beginning in late 1985, Iran had to contend with what its leaders called the "oil conspiracy": an effort by certain producers to, in Prime Minister Mir Hussein Moussavi's words, "damage Iran's ability to continue the struggle" by flooding the oil market and driving prices down.

Meanwhile, certain Iranian figures had come to realize that winning the war would run contrary to the interests of virtually all concerned parties except Tehran itself. Moscow is obliged by treaty to support Iraq, yet has been reluctant to alienate Iran. But last month, the Soviet ambassador to the United Arab Emirates, Felix Soldatov, spoke of providing arms to Iraq as a necessity under the defense agreement. This was read as a reminder that an Iranian victory would not be tolerated. Even Syria, an ally, has warned Tehran against moving deep into Iraqi territory.

Washington believes that some members of the Iranian leadership realize that the war is not in Iran's interests. Hashemi Rafsanjani, speaker of the parliament, was quoted in Le Monde on Oct. 25 as saying that if the Iraqi leader, Saddam Hussein, stepped down, Iran would not challenge his country's integrity and would be prepared to negotiate with the new Baghdad regime "even if it was pro-American." More recently, Prime Minister Moussavi said that Iran "strongly believes in negotiations" and "exchanges of views." In August, under Mr. Rafsanjani's orders, Iran's oil minister offered to his Saudi counterpart a plan to boost oil prices that exempted Iraq from the agreed quota.

To be sure, many signs of change in the Iranian position are tentative. The discovery of an American link may even bring the demise of the Iranian "moderates." Yet apparently Washington decided it was time to offer Tehran some carrots in a bid to reopen communication lines. The recent overtures imply that Washington recognizes its lack of credible policy alternatives in the area.

But both Israel's and America's searches for new strategic stability in the Middle East are fraught with danger. It is not clear that Syria will play by the rules of Israel's deterrence game. Even if it does, that is no guarantee that Syria will cease other provocations, including terrorism.

America's latest overtures have been characterized in Iran as reflecting Washington's "weakness and helplessness." There are indications that Mr. Rafsanjani and his supporters view the turning of a new page in relations with America as something to be conducted strictly on Iran's terms — a sort of U.S. restitution for past "crimes." Besides replenishing its military arsenal, Iran is likely to use the occasion for its propaganda advantage, pointing to Washington's readiness to "sell" its Arab friends.

Since both the U.S. and Israeli approaches seek security by, in essence, avoiding confrontation and by implicitly conceding the existence of "legitimate" security interests of their increasingly powerful enemies, the danger arises that Jerusalem's restraint will be seen as weakness and Washington's overtures as appeasement. The Middle East could become an even more dangerous place.

The writer, a senior analyst with Eaton Corp., has written frequently on Mideastern and Soviet affairs. He contributed this to the Los Angeles Times.

America's Century: Is It Over?

By Jim Hoagland

PARIS — My favorite Leninist cliché is the one about the capitalists eagerly selling the rope for their own hanging. It came to mind the other day while listening to Jean-René Fourtou describe how three years of the overvalued dollar, followed by the greenback's precipitous yearlong slide, helped him buy up part of Union Carbide last week.

Mr. Fourtou is the ambitious new director of Rhône-Poulenc, the big French state-owned chemical company that has just bought Union Carbide's agrochemical business in the United States for an estimated $575 million. The deal came one week after Hoechst of West Germany bought Celanese for about $3 billion. Both purchases will be financed largely by selling bonds in the U.S. market.

For three years, Mr. Fourtou observed, the overvalued dollar made American chemical and pharmaceutical products uncompetitive in many markets abroad. Now, with the dollar driven downward by pressure from the Reagan administration, European companies that built big profits in the hard dollar years are better positioned to launch new products in a sagging American market than are many U.S. companies.

The takeover wave, which has been largely an American domestic affair until now, is gaining international dimensions as European and Japanese businessmen conclude that erratic U.S. exchange rate policies are an invitation to America's own financial lynching.

While it is only one reason that European heavyweights like Bertelsmann of West Germany, Air Liquide of France and the British-French financier Sir James Goldsmith are also undertaking major purchases in the U.S. market, exchange rate volatility is dictating a new trans-Atlantic strategy for many companies. Going heavily into the United States is the only way big European companies can protect themselves from being caught short by the rapid swings in the dollar's value that threaten to become a permanent part of the international economy.

For a variety of reasons, we are in an age when big companies are reaching across borders for partners or acquisitions, rather than seeking the answers to their problems at home.

This reflects an instinct for survival in this era of international competition, and American companies should encourage greater international financial cooperation rather than back the kind of protectionist measures the new Democratic majority in the U.S. Senate is considering. Those measures could inhibit the flow of foreign investment that the United States desperately needs to help balance the continuing budget and trade deficits, and block a valuable cross-pollination in the corporate world.

Noting that sales in the United States represent 30 percent of the world market for chemical companies, Mr. Fourtou said: "We were lucky not to have been in the American market for the past few years, because the agricultural crisis has meant that American firms have suffered more than we have. They had only the American market, which was depressed, while we had world markets. But now is clearly the time to get into the American market. It is an opportunity for the next two years that must be taken."

This is the other big challenge for U.S. companies, which for the most part have preferred to live or die on the basis of the vast American market alone. The United States must export its way out of the trade deficit crisis through improved productivity and quality control.

This undoubtedly will sound commonplace in Europe and in Asia, but it is not all that evident in an America that has taken too much to heart the disappointments and disasters abroad of recent years, ranging from the Vietnam War to Japan's continuing conquest of American markets. These and other events have made it seem to many Americans that the end of the American Century arrived a decade or two early. A renewed distrust of the foreign entanglements that George Washington warned about seems to surface in a new sense of jingoism, and in talk of "the widening Atlantic."

For my part, 20 years of reporting, writing and editing foreign news leaves me with a restless optimism about America's willingness to use its dynamism and sense of decency as a force for change in the world and in its own society. That represents the philosophical underpinning for this weekly column, and will be on display in the views hawked here in the weeks to come.

The Washington Post.

Why Is Indonesia Executing These Men?

By Eric Schwartz

WASHINGTON — The government of Indonesia recently executed nine political opponents who had been imprisoned for some 20 years in connection with a 1965 coup attempt. Now the government may execute 16 more prisoners. In the absence of Indonesians' right to criticize these actions, the international community should shout its abhorrence of these executions.

Why is the Indonesian government executing these men — most beyond the age of 55? No one outside that government can be certain. Whatever the reason, it is the political climate in Indonesia today that makes it possible even though the events on which the executions are based occurred so long ago.

The organized slaughter of hundreds of thousands of people after the coup attempt, far from being considered a gruesome chapter in the history of the country, is today officially ignored in Indonesia. And the elimination of leftist influence that was achieved by the killings is commemorated each year in a celebration of the invincibility of the government's ideology.

This public mood of virulent anti-communism is sustained by dire government warnings about leftist infiltration. Severe restrictions also have been placed on the rights of the more than one million former prisoners detained without trial in 1965 and after.

The coup attempt that led to the frenzy of reprisal killings aroused enduring passions. Middle-ranking military officers, who are believed to have initiated the coup attempt, said they were trying to prevent the military leadership from seizing power from President Sukarno. But the army quickly repelled the attack, and claimed it had been orchestrated by the Indonesian Communist Party. Anti-Communist military leaders later ousted President Sukarno, under whose protection the Communist Party had made important gains, and set out to eradicate leftist influence.

The military's efforts to destroy the left were ruthless and brutal. About half a million people were killed by soldiers or in violence condoned by the military. The government itself estimates that more than one million people were jailed. Some prisoners were confined without trial for up to 13 years. Many of them had only casual relationships with suspected Communists.

Like the men executed recently, 16 other prisoners who may yet be taken before firing squads have been in prison for two decades. They are among about 200 remaining prisoners who were arrested in the mid-1960s in connection with the coup attempt. Many belong to the Indonesian Communist Party. Their trials, some by special military tribunals, lacked basic procedural safeguards. Many were held in secret, and defendants had little chance to consult with lawyers.

Reports received by Amnesty International, the human rights organization, say that the evidence on which the prisoners was convicted was contradictory and inconsistent, and defendants were prevented from calling witnesses.

The climate of fear that prevails in Indonesia continues to make it difficult for anyone to speak out against the executions. Those who might do so risk direct attack. The retired defense and security minister, General Poniman, has publicly linked human rights advocacy to communism and terrorism.

Under such circumstances, international protest is essential if additional executions are to be prevented. The governments of the Netherlands and Australia, as well as the European Parliament, have recognized the need for outsiders to speak out and have urged clemency. The U.S. government, which has not yet opposed the executions, should publicly urge that they be ended. The circumstances of these executions — the unfair trials and long imprisonments — makes America's silence resounding.

The writer is program director at Asia Watch, a human rights monitoring organization. He contributed this comment to The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Tiny, but Socialist

RUDOLSTADT — By the return of a Socialist majority in the Parliamentary election, the Principality of Schwarzburg-Rudolstadt has acquired the distinction of possessing the first Socialist Parliament in Europe. And, if the elections in this little principality, which comprises 96,900 inhabitants in its 907 square kilometres, may be taken as an indication of the approaching general elections to the Reichstag, the German Chancellor, in the opinion of the "Rudolstätter Zeitung," will have grounds for preoccupation on Jan. 12. By the Constitution of Nov. 16, 1870, the Principality has a Landtag composed of 16 members elected by secret voting, four by the more important taxpayers, 12 by the entire electorate. In the elections, nine of these 12 seats have been given to Socialists.

1936: Security After 65

WASHINGTON — Blue-uniformed legions composed of 250,000 mail carriers started out from 45,000 post offices scattered over the United States [on Nov. 16] to inaugurate the Federal government's social security program, aimed at protecting 26 million U.S. workers against economic misfortunes in their old age. Before nightfall, the postmen had delivered 3.5 million letters, one for every industrial and commercial employer in the country whose employees might be eligible for monthly benefits when they retire. Starting Jan. 1, the government will tax each worker 1 percent of his wages, while the employers will be taxed the same amount. The size of the pension will be determined by the amount of the worker's earnings during the period from next January until his 65th birthday.

OPINION

Molotov: The Hand of Stalin's Long Arm

By George F. Will

WASHINGTON — The Soviet foreign ministry, with an austere proletarian tone, said merely that "the pensioner" had died. Vyacheslav Molotov, dead at 96, never received notice commensurate with his involvement in large matters.

Perhaps part of his problem was his unprepossessing appearance. Churchill wrote of "his cannonball head, black mustache and comprehending eyes, his slab face." Molotov edited Pravda before organizing the first Bolshevik committee in Petrograd during the 1917 February Revolution, yet Trotsky called him "mediocrity incarnate." Trotsky, however, died 46 years before Molotov, in Mexican exile, with an alpine ax lodged in his skull by the long arm of Stalin, whose right hand was Molotov.

Lenin disparaged Molotov as "the best file clerk" in Russia. However, Russia's files bulge with interesting documents. For the vanguard of the proletariat — the leaders of the Communist Party — building a socialist system does not involve heavy lifting, but, nly, the paperwork.

In "The Great Terror," Robert Conquest describes how Stalin and Molotov would arrive at their offices and find in their in-trays a list of 40 or so names compiled by one Yezhov, an enforcer.

"Comrade Stalin. I am sending for your approval four lists of people to be tried by the Military Collegium:

"List No. 1 (general); List No. 2 (former military personnel); List No. 3 (former government personnel); List No. 4 (wives of enemies of the people).

"I request sanction to convict all in the first degree. Yezhov."

The lists would go into the out-trays, with the brief notation, "Approved. J. Stalin, V. Molotov."

These lists of a few dozen victims were part of retail killing in a country, and a century, characterized by wholesale killing. However, Molotov and Stalin did not usually deal in small numbers. Although there have been many mass murderers with more flourish, few were more prolific than Molotov.

Robert Conquest's "The Harvest of Sorrow" is a new history of "the biggest unreported story of this century," the "terror-famine" engineered by Stalin to crush the kulaks, a term denoting peasants prosperous enough to be considered "class enemies." The famine killed seven million people, more than half of them children, in the Ukraine in 1932 and 1933. More than 15 million people — more than were killed in World War I — were killed by the brutal collectivization of agriculture that the famine was intended to accelerate.

Mr. Conquest notes that while official documents at the time spoke decorously of "limiting" the kulaks (a semantic evasion that anticipated the Nazis' "final solution"), Stalin and Molotov, plain speakers, preferred the word "liquidate." This was years before Hitler embarked on his genocide, which claimed fewer victims. Here, too, Molotov was a pioneer whose achievements as Stalin's servant have not yet received due notice.

Molotov would chair meetings of committees that included men whose death warrants he had already signed — "dead men talking," in Mr. Conquest's phrase. But he did once rebel, in his fashion, against the purge of a person close to him. When, in 1948, the Politburo, doing Stalin's bidding, voted to purge and imprison Molotov's wife, Molotov abstained from the vote.

Filial piety is always nice: Molotov was readmitted to the party two years ago.

His wife was a live wire. While imprisoned, a senior military officer recalled being greeted by her at a reception: "Ah, Sasha, whatever's this? Why haven't you been arrested yet?" She was at that time head of the cosmetics industry, a post she obtained when the man above her was sent to a labor camp.

Molotov's name is on the agreement — the Molotov-Ribbentrop nonaggression pact — that lit the fuse of the Second World War. Ribbentrop was hanged at Nuremberg 39 years before Molotov died. Justice falls unevenly on winning and losing camps.

Of the regimes that once were allied with Hitler, only the Soviet regime survives with institutional and ideological continuity. Molotov was a suitable symbol of the durability of the regime he helped create. When the 27-year-old Molotov plunged into the revolutionary turmoil, Russia was so prostrate and anarchic that a rabble could seize it. When he died, a 20th-century success story, the state he helped launch was the center of what historians Mikhail Heller and Alexander Nekrich in their new book "Utopia in Power" call "the last world empire. From Cuba to Vietnam, from Czechoslovakia to Angola, the sun never sets on the zone of Soviet control."

Molotov must have felt ill-used when, in 1962, Khrushchev, the Stalinist "de-Stalinizer," expelled Molotov from the party. Ingratitude is never pretty. Khrushchev's path to glory ran through the Ukraine, where he helped Stalin and Molotov suffocate that captive nation.

But filial piety is always nice, and recently the new, different, open, reforming, modernizing Kremlin leaders have rectified that injustice. Two years ago Molotov was readmitted to the party. Also, party records were falsified to show uninterrupted membership, a suitable tribute from that regime to one of its founding fathers.

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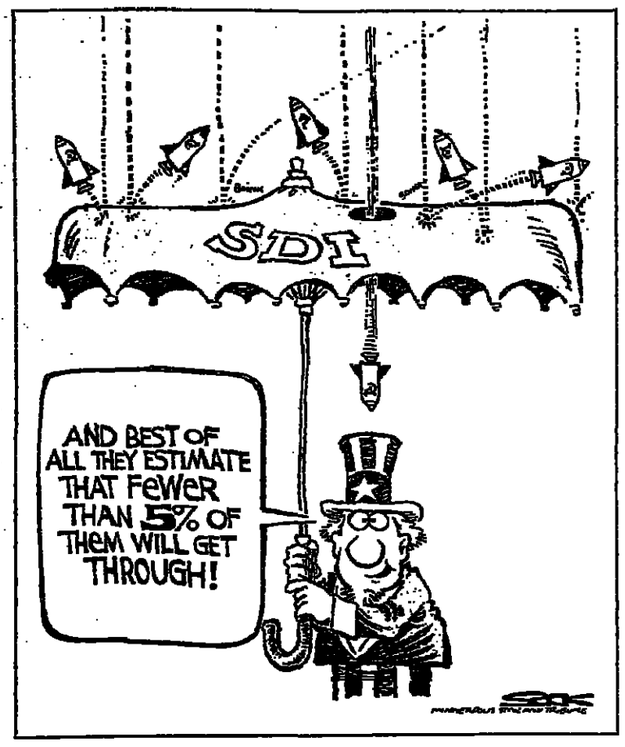

For a First-Time Candidate, A Healthy Dose of Humility

By George A. Hirsch

NEW YORK — Everybody told me I wouldn't win. Everybody told me I was crazy. Well, they were right. And wrong. I didn't win. But I wasn't crazy. After all, they said, you've spent 24 years in the magazine business. Why, at 52, jump into politics, where you're a newcomer? And go up against an entrenched incumbent?

Well, for one thing, more than 40,000 people in Manhattan's 15th congressional district thought I should be their congressman, and that's lovely. Alas, more than 50,000 thought Bill Green should be their congressman. And 50,000-plus is lovelier.

MEANWHILE

For another thing, I learned a lot.

Lesson one: humility. Let me tell you, you don't know what humility is till you've run for office. I had no idea, in the congressional district where I was born and have lived and worked all my adult life, how many people there were who didn't know me and who, when my name was mentioned, responded with an enthusiastic "Who?"

Humility II. A rainy evening in April. With my son Willie along for moral support, I go to the Village Independent Democrats to try for an endorsement. Virtually my first speech, and I have a 20 minute beauty tucked away in my pocket. They tell me I have three minutes. I try to select key paragraphs. It is probably the oratorical low point of my campaign. We head for another club. I junk my written speech and do a good extemporaneous job. Unfortunately, at this club there are exactly nine people. (Every time Willie hears me say that, he says, "Eight, Dad." Humility III.)

Lesson two: the press conference. As a publisher, I thought I knew about the press. But as a candidate, I had to compete with things like the World Series and corruption trials. What I learned here was, it ain't a press conference unless the press shows up.

Lesson three: who's important. To get press attention, I set up endorsements by political stars like Gary Hart and Bill Bradley. Both came to New York to campaign with me. The coverage: virtually nil. So then, even with the luminous Ted Kennedy coming in to endorse me, I got nervous and invited Christie Brinkley to join us. She did. We made the cover of a New York paper, papers in Boston and Newark, and got stories on television and radio news.

Lesson four: human frailty. It's early May and in Central Park 6,000 runners are lined up for marathon applications. Runners — my people. For me, running the length of the line is no problem. Not the feet, anyway. I shake about 5,000 hands and spend the afternoon with my hand in an ice bucket.

Lesson five: People have other things on their minds. You may not, but they do, and you have to forgive them for not paying attention. A campaign call:

Me: Hi, I'm George Hirsch, and I'm running with Governor Cuomo for election on Tuesday.

Voter: You are running against Governor Cuomo?

Me: No. He is supporting me. I'm running for office in Washington.

Voter: Washington? What's the matter? You don't like New York?

Lesson six: Learning about the district and the people. It's home for folks with the megabucks, and a bunch of doorways for folks with no home. Home for the lady who saw me at a subway stop for the third time and who finally said, "If this happens one more time, we're going to have to get engaged."

I was happy. I was no longer an unknown. I'd gotten to say what I wanted to about important issues and I'd learned a lot. Yes, I didn't win. And, no, I wasn't crazy. I'd do it again tomorrow.

The writer was founding publisher of New York magazine and The Runner magazine. He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

ANC: It Has to Fight Back

Regarding the opinion column "Beware, the ANC Is a Communist Front" (Oct. 28) by John R. Silber:

Clearly, a system of violent repression has wrought a violent response, and while the methods of the African National Congress are certainly not the most palatable, it is stretching the point to describe the movement as committed to terror, oppression and poverty.

Indeed, the adjectives more appropriately characterize the government's approach to containing its "racial problem." As Mr. Silber would have it, the humiliation and violence suffered by Winnie Mandela and her people should elicit little more than appeals for fair play. In fact, ANC activism was once limited to such appeals.

The brutal context of South African politics, however, has unfortunately all but eliminated the possibility of a peaceful solution. In the coming struggle the Western world will have to support one side or the other. Mr. Silber has apparently cast his lot with the minority regime. One can only hope that the leaders of Western governments will show more foresight in formulating a long-term approach.

PAUL J. COOK.
Cavalese, Italy.

Claes-Adam Wachtmeister, in "The ANC: Listen to Tambo" *(Letters, Nov. 8)*, suggests that Oliver Tambo dissociates himself from violence. Mr. Tambo was in Moscow earlier this month and stated that the Soviet Union had pledged continued military assistance for the ANC. What does that mean?

E.A. BENACHI.
Geneva.

Terrorism Has No Morality

Regarding "Ariel Sharon Has No Place on the Moral High Ground" (Letters, Oct. 12) from Mark J. Leland:

"Root cause" is the latest catchword, used by those seeking to deflect us from taking international action to fight terrorism. Does knowledge of root causes soften the crimes or lessen the necessity for an active police force? Of course not. Terrorism, the deliberate killing and maiming of innocent and unconnected civilians, raises its ugly head in many regions, and its root causes never justify or explain such deeds.

Is there anything viler than sending one's pregnant girlfriend on a plane ride, intending to have her blown to pieces together with a couple of hundred other innocent and unrelated civilians, just to make a point? Is there any connection left, if ever there was, between guerrilla warfare against military targets, and the deliberate attempt to slaughter unrelated civilians, in unrelated countries, for unrelated "root causes"?

J. SHAPIR.
Amsterdam.

Silence on Afghanistan

In response to "The Overlooked War: Why the Left Is Mute" (Oct. 25):

Barnett R. Rubin was all too right in saying that lack of media attention is the cause of the left's silence on the Soviet invasion of Afghanistan.

Indeed, the Western media have failed miserably in their duty to report what is happening in Afghanistan. Why? Probably because of the inconvenience and danger of reporting from the scene, as well as the political considerations mentioned by Mr. Rubin.

Symptomatic of the media's failure was the uproar at Boston University's College of Communication in August. The dean of the college resigned while several faculty members expressed concern over a proposed plan to train Afghans in the most basic journalistic techniques so that they could report on the war. *("Boston School Divided Over Afghan Training," Aug. 23).*

If Western journalists are incapable of doing their job, they have no cause to complain when someone wants to train others to do it for them.

DON C. YAGER.
Seeb, Oman.

Yamani Was No Moderate

Regarding the opinion column "As Yamani Leaves the Stage, His Warnings Come True" (Nov. 6) by John K. Cooley:

"Ranged against the Yamani policies of caution and regard for the industrial West . . . " What revisionism this is! Is it possible that the Yamani beloved of journalists as the man who "holds the world to ransom" can, in one week, become this champion of moderation? Sheikh Yamani has for so long been the media symbol for the Organization of Petroleum Exporting Countries, and OPEC the media's own "evil empire," preventing the three-car, two-boat, air-conditioned family from enjoying life. I wait with baited breath for the new front-page scapegoat when oil prices are too high to suit consumers, or too low to please bankers and businessmen.

GAIL K.M. COLLIS.
Vienna.

Giving In to Terrorists

In "France Has to Be Weak" *(Nov. 6)*, Art Buchwald neglected to mention that West Germany, Belgium and Greece also still maintain diplomatic relations with Syria — all for a variety of reasons not unlike those he attributed to France. It is a pity that he also neglected to mention that the United States is not *above suspicion of giving in to terrorists*, in view of the McFarlane mission to Iran. Rather than having a few giggles at the expense of an age-old ally of the United States, he should have asked why West Germany and the others still maintain relations with Syria.

Consider also that when American bombs fell on Libya, the BBC and British public opinion were hugely anti-American, while in France the French public was in favor of the American action — despite its government's action in preventing the bombers from passing through French airspace.

A.J. VLITOS.
London.

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KRUPP

Gandhi, Jayawardene Meet on Tamil Conflict; Rebel Chiefs Join Talks

Reuters

BANGALORE, India — The leaders of Sri Lanka and India met repeatedly over the weekend to search for a solution to the ethnic conflict in Sri Lanka, according to diplomatic and official sources.

President Junius R. Jayawardene of Sri Lanka and Prime Minister Rajiv Gandhi of India met twice Saturday and again Sunday afternoon, and they were scheduled to hold a fourth meeting Sunday night, the sources said.

The Indian government sent a plane to Madras on Sunday to bring two ministers of Tamil Nadu state, Chief Minister M.G. Ramachandran and his food minister, S. Ramachandran, to the talks, the sources said. About 50 million Indian Tamils live in the state.

The top two leaders of Sri Lanka's largest Tamil militant group, the Liberation Tigers of Tamil Eelam, also flew from Madras to Bangalore, a spokesman for the group said Sunday.

Speaking by telephone from the group's headquarters in Madras, the spokesman said that the police had arrived and had summoned the leader of the group, Velupillai Prabakaran, and his political adviser, Anton Balasingham, for the talks.

Their arrival in Bangalore raised hopes that a solution might be at hand to the warfare, which has cost more than 4,500 lives.

India's role in the Tamil struggle is considered crucial, because it offers a haven to the guerrilla leaders in its southern state of Tamil Nadu, where about 50 million ethnic Tamils live.

Sri Lankan and Indian sources say that if Mr. Prabakaran's group, which virtually controls the northern town of Jaffna, agreed to lay down its arms, the other Tamil groups would fall into line.

Diplomatic sources said the main issue defying solution was the Tamils' demand for a merger of Northern Province, which is dominated by Tamils, with Eastern Province, where the Tamils are a minority.

Guerrillas are fighting to set up an independent state in the north and east of the island for the Tamils, who make up 13 percent of Sri Lanka's population of 15 million.

The Tamils complain that Mr. Jayawardene's government, which is dominated by the Sinhalese majority, discriminates against them in language, education, employment and land-settlement issues.

Tamil militants have rejected Mr. Jayawardene's proposal to resolve the conflict by devolving power to the northern and eastern areas through a system of provincial councils.

The sources said Mr. Jayawardene and Mr. Gandhi discussed the issue with the help of maps for 70 minutes at midday Saturday, shortly after the Sri Lankan leader arrived in Bangalore, and again for 90 minutes around midnight.

Mr. Jayawardene is in Bangalore for a meeting of the South Asian Association for Regional Cooperation.

He and Mr. Gandhi held more talks when the leaders of the association drove to the Nandi Hills holiday resort for informal meetings Sunday afternoon, the sources said.

Richard Ellis/Reuters

India's prime minister, Rajiv Gandhi, right, and Sri Lanka's leader, Junius Jayawardene.

12 Killed As Strong Earthquakes Hit Taiwan

Reuters

TAIPEI — At least 12 persons were killed and nearly 40 were injured over the weekend in a series of strong earthquakes in Taiwan, the police said.

The police said Sunday that 10 bodies, most of them of children and elderly people, had been recovered from the wreckage of three-story market near Taipei.

Saturday's earthquakes and aftershocks, registering from 2.0 to 6.8 on the open-ended Richter scale, provoked anxious queries about safety inspection procedures for buildings. A series of aftershocks occurred on Sunday.

[Wu Ching-yu of the Central Weather Bureau said that 184 aftershocks had been recorded since the major temblors, with 13 on Sunday measuring from 3 to 4 on the Richter scale, The Associated Press reported.]

The tremors also triggered landslides that cut roads and a railroad line in the east, the police said. Two fishing boats and seven rafts capsized in the northeastern port of Su-ao, they said.

More than 40 houses in the Taipei district and at I-lan in northeastern Taiwan collapsed. A 14-story office building in central Taipei also was damaged, the police said. There were power blackouts in Taipei and several other cities.

An editorial Sunday in the China Post newspaper said the earthquakes "should shock us into serious action on improving the quality and safety standards of our buildings."

It said figures showed that 68 percent of the government buildings in Taipei failed to meet official safety standards and hinted at corruption among government officials and building companies.

Rescuers clawed through shattered concrete to search for survivors among the estimated 90 people who lived in makeshift dormitory rooms above the market in the northern Taipei suburb of Chungho. The police said that most of the residents were accounted for.

Scores of buildings were reported damaged across Taiwan.

Interior Minister Wu Po-hsiung ordered tougher inspection procedures for new buildings as government investigators seized documents from engineering and construction companies that built the Taipei market.

Taipei residents have become used to tremors, which frequently rock the city and open up cracks in buildings. But Saturday's quakes, among the worst in living memory, caused widespread panic.

Taiwan's worst earthquake was in 1935. It measured 7.4 on the Richter scale and killed 3,276 people.

TAKEOVERS: *The Boesky Fine*

(Continued from Page 1)

stock held by the public, can in effect decide whether a company is taken over.

People in the arbitrage business, which is said to have more than $15 billion at its disposal, maintain that Mr. Boesky's activity was not typical of the way they operate. They say that the crux of their business is making decisions based on publicly available information and their knowledge of, among other things, past corporate behavior, how the stock markets operate and the history of antitrust action in similar cases.

But Guy Wyser-Pratte, the head of risk arbitrage at Prudential-Bache Securities who wrote the book "Risk Arbitrage," also notes that arbitrageurs typically talk with investment bankers and corporate officials of takeover situations in attempting to size up the likelihood of a deal. Both sides in such conversations, he said, are aiming to find out what the other will do without tipping their own hand and without violating insider trading rules.

There was also a feeling among many on Wall Street that Mr. Boesky's role in the insider trading scandal, which first broke in May with the arrest of Dennis B. Levine, a former investment banker, was something that historians may point to as a symbol of the unusually lucrative, free-wheeling era Wall Street is passing through, and the outsized influence that a new breed of entrepreneurs has had.

More than anything, Mr. Boesky's agreement to pay the government $100 million for his misdeeds illustrates the enormous wealth and power that speculators have achieved in the span of just a few years, and how the destiny of some of the largest, best known corporations rests in the alliance of self interest that exists between the arbitrageurs and Wall Street's takeover specialists.

The most important change in the takeover game in the past five years is that takeover speculators have gone from being bit players on the periphery of the game to being central characters who can, and do, decide what companies will be broken up, bought out or liquidated.

Arbitrageurs make it easier for a corporate raider to accumulate stock at lower prices because they serve as a conduit, first buying out public shareholders and, in effect, warehousing the stock for the raider to then buy in large amounts.

With the enormous wealth and capital that the arbitrageurs, known on Wall Street as "arbs," have accumulated in this short period of time, corporate executives are sometimes powerless to resist them.

This was evident last month when Allied Stores lost a takeover battle one afternoon when the millions of shares of its stock held by arbitrageurs were sold to the Campean Corp. of Canada, which had mounted a hostile bid.

"That deal would not have happened without the involvement of the arbs," said Daniel Good, a mergers expert at Shearson Lehman Brothers, who represented the losing bidder for Allied Stores. "The arbs say who will rise and who will fall."

AP

Ivan F. Boesky

Because of this influence, the Wall Street specialists who advise corporations on how to acquire other companies, or how to fend off unwanted bids, are often tempted to try to ally themselves with the arbitrageurs — and this is the tension that is at the heart of the insider trading scandal that has gripped the investment community since May.

Other than Mr. Levine, four young investment bankers or takeover lawyers with some of the most prestigious firms on Wall Street have been charged. According to the charges filed against Mr. Boesky, there was a free flow of inside information about pending takeovers from these young investment bankers, whose firms were working on the deals, to Mr. Levine, and Mr. Levine then passed it along to Mr. Boesky.

The enormous success of the arbitrageurs in the late 1970s enticed numerous other investors to give them more money to operate with. These were often large institutions like insurance companies, simply seeking a better return on their capital at a time when interest rates were falling dramatically.

Mr. Boesky started with $700,000 in 1975, and was able to raise a fund of $900 million earlier this year.

Their swelling bankrolls gave the arbitrageurs, especially Mr. Boesky, substantial clout, able to buy up 5 percent and more of a company's stock and force it to restructure or force it into the hands of a corporate raider. Adding to this muscle was the fact that once word spread that Mr. Boesky had bought a substantial interest in a company, numerous other arbitrageurs would jump in.

Several arbitrageurs said that Mr. Boesky's consent decree would discourage his colleagues from becoming visible at all in takeovers.

The worst fear is that there will be an overreaction that might stifle legitimate economic activity.

Dam in North Raises Tension in Korea

Seoul Considers Giant Project a Potential Military Threat

By John Burgess
Washington Post Service

SEOUL — A new focus of military tension has emerged between North and South Korea — a dam.

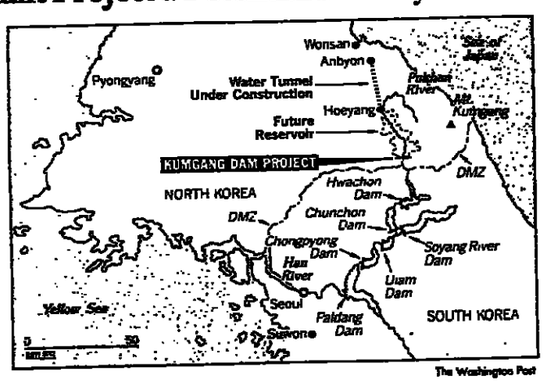
A hydroelectric dam that North Korea recently began building could be used in wartime to destroy Seoul and adjacent areas by flooding, South Korea has said. It said it would take action if North Korea did not stop the project, but it did not specify what action.

"We sternly warn we would be compelled to take self-defense measures before the threat becomes reality," the South Korean defense minister, Lee Ki Baek, said in Seoul recently.

At the least, South Korea said, the dam would partially divert a river and reduce the flow of water that South Korea uses in agriculture and power generation.

North Korea agreed that the dam could affect water flow in the South but said that people there would benefit because natural flooding would decrease. Last week it called suggestions that the project posed a threat "foolish rubbish," and said work would continue.

By its own account, Seoul does not know precisely where the dam is being built or how large it will be. But officials here say intelligence reports and some educated guessing make it clear the threat will be very serious.



The Washington Post

The South Korean government recently disclosed the project to its people. South Korean television aired North Korean footage said to show ground-breaking with explosives at the project, known as the Kumgang Power Station.

Seoul began an international publicity campaign. Foreign journalists were called in for a press conference. The Foreign Ministry briefed diplomats and asked for their help.

"We are going to appeal to some of the international organizations to put pressure on North Korea to stop that project," said Lee Jong Ryool, spokesman for President Chun Doo Hwan.

It is unclear, however, what real pressure the South can bring to bear. The Communist government in the North is treating construction as a glorious revolutionary task. The two sides rarely talk with each other and since the Korean War ended in 1953 have remained mobilized to fight again.

South Korea said the dam would straddle the Pukhan River, which flows across the Demilitarized Zone that divides the North and South. In the South, the river feeds into the Han River, which winds through the center of Seoul, a city of 10 million people.

So far the North has built an access road and begun work on the water tunnel, South Korean officials said. Construction will take about five years, they estimated, and accumulation of water in the reservoir will take many years after that.

According to Seoul's estimates, the dam would need to be at least 650 feet high and have a reservoir of up to 22 billion tons of water to meet general specifications that North Korea has mentioned in its official media.

South Korea said water flow into the South would be cut by about 20 percent, harming ecosystems, reducing supplies of drinking, irrigation and industrial water and reducing power generation at five South Korean dams.

Breakage of the North Korean dam by accident or, in time of war, by design could cause huge damage in the South, Seoul said.

Ethnic Clashes in Yugoslavia

Reuters

BELGRADE — Eleven young people were treated in hospital after fighting erupted between Serbian and Albanian youths in Kosovo Province of Yugoslavia, the Belgrade newspaper Vecernje Novosti reported Sunday.

MOSCOW: *Test of Limited Private Enterprise Prepared*

(Continued from Page 1)

said. "The earnings are not limited."

Another article in Moscow News last week noted that the draft law on "individual labor" did not answer all questions. For instance, the article said, the size of the sum to be paid to the state was still unclear, and would be determined based on "the average incomes of workers doing the same job in local state-run organizations."

Moscow News also indicated that the cooperatives would involve people who did not have full-time jobs, such as housewives, pensioners and students. But the English-language paper said that during discussions on the law, one manpower expert noted that the new field of "individual labor" also could provide jobs for manual workers now being phased out of parts of Soviet industry.

The new legislation would, in effect, legalize much of what now happens in what is called the "gray" economy, where consumers turn for underground services ranging from car repairs to interior decoration.

The reforms have been under discussion for some time, at least since Mikhail S. Gorbachev, the Soviet leader, spoke in February of the need for "radical reform," and made an oblique reference to the New Economic Policy, the period in the 1920s when the Soviet Union experimented with limited private enterprise.

In the past year, experiments with family farms and family-run cafés have been tried, particularly in the Baltic republic of Estonia, and have received favorable write-ups in the official press.

An article in the government newspaper Izvestia praised a self-financing café in Tallinn, the Estonian capital. Under the new system, the article said, the café employed half the staff and attracted twice the clientele that it did when it was a state-run enterprise.

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International Herald Tribune Special News Report Monday, November 17, 1986

France: Betting on Growth

POLICIES
At a Glance

June 1981: Left Sets New Policies

Following the appointment of Pierre Mauroy as prime minister, and the elections for a new National Assembly, the Socialist government introduces a program of reforms, including higher minimum wages and welfare allowances, reinforced trade union rights and increased taxes on the wealthy. The reflationary policies push the country into heavy borrowing abroad.

Pierre Mauroy

February 1982: Firms, Banks Nationalized

The country's five largest industrial groups, 39 banks and two holding companies are nationalized. Of the 20 billion francs allotted to investment in the nationalized sector, 6.45 billion francs are earmarked for the ailing steel industry. In March, a temporary freeze on wages is introduced and Socialists suffer a setback in cantonal elections for departmental assemblies.

March 1983: Delors Announces Austerity

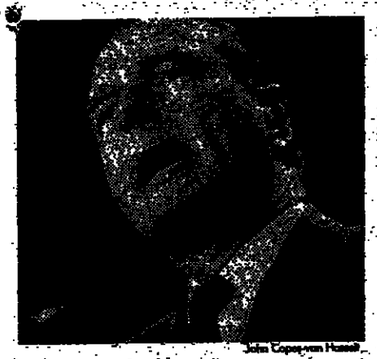
In a major policy turnabout, the government announces an austerity plan to reduce France's heavy trade deficit and mounting debt. Finance Minister Jacques Delors's austerity measures include industrial restructuring, reductions in public expenditure, increased taxation and price controls.

July 1984: Fabius Moves to Modernize

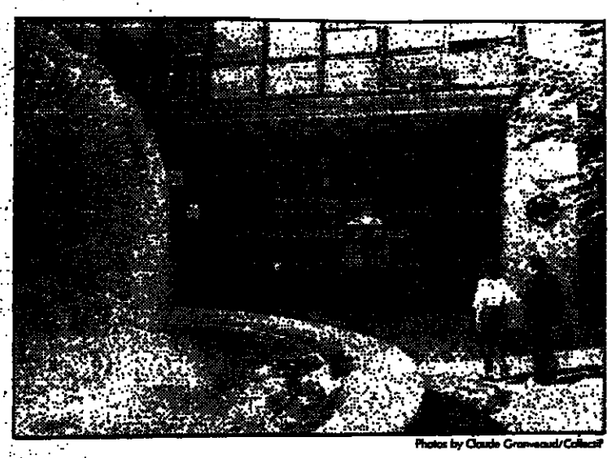
Laurent Fabius is appointed prime minister, replacing Pierre Mauroy. He ushers in a technocratic approach, adhering to a policy of reducing state intervention, modernizing the economy and promoting decentralized decision-making with the continued aim of reducing government spending.

March 1986: Right Wins Elections

Following the right's victory in the legislative elections and Jacques Chirac's appointment as prime minister, measures are introduced to liberalize the economy and attract foreign investment.



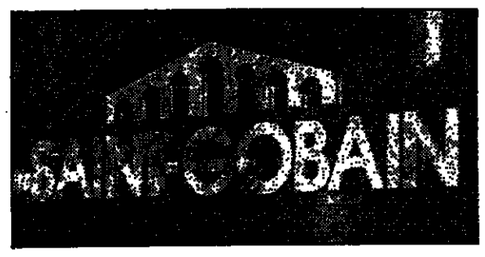
Jacques Chirac



Photos by Claude Gramezoud/Collectif

"The success of privatization is what this government's economic policies will be judged on.'

Investors Appear Less Enthusiastic For Privatization



By Julian Nundy

PARIS — When the Banque Nationale de Paris put nonvoting share certificates on the market last May, the issue was 10 times oversubscribed and had to be closed early. It was, it appeared, a good omen for the state-owned bank's eventual denationalization in particular and for the center-right government's privatization plans in general.

But within a few weeks, according to bankers, the BNP was itself in the market, buying its own *certificats privilégiés d'investissement* to maintain their value after prices on the Paris Bourse started to fall.

France's first full-scale privatization — of the Compagnie de Saint-Gobain glass, construction and packaging concern — is due to be completed between Nov. 24 and Dec. 5.

Finance, Economics and Privatization Minister Edouard Balladur has said that the exact date will depend on market conditions.

However, some investment advisers admit to being lukewarm in their enthusiasm for denationalized issues, comparing the current atmosphere in Paris unfavorably to that which has preceded the privatization of British companies in London.

"The success of privatization is what this government's economic policies will be judged on," one investment counselor at a private French bank said. "But for the moment, my colleagues and I hardly even talk about denationalization."

The privatization program aims to change France's economic landscape, ending the country's traditionally massive state involvement.

In the political short term, the capital earned from stock flotation will be directed by the government into public works projects, stimulating growth to an estimated 3 percent and creating new jobs.

And the short term is all important as the conservatives seek to prolong and extend their political grip by winning the presidency back from the Socialists.

For Prime Minister Jacques Chirac, any hitches could be costly as he keeps his eye on the next presidential elections.

The elections have to be held by May 1988 and could come much earlier if the current incumbent and Mr. Chirac's rival, François Mitterrand, decides that the moment is opportune.

The Saint-Gobain denationalization will be followed by that of the Compagnie Financière de Paribas, a major financial holding company, in January, and of the Assurances Générales de France insurance group in March.

In the new year, France's first television channel, TF1, will be put on the market, heralding a deregulation of telecommunications and reform of broadcasting, a policy that has little public support, according to opinion polls.

To ensure the success of privatization and the development of the "popular capitalism" that has taken off so well in Britain under Prime Minister Margaret Thatcher, the government has announced a series of measures to encourage small investors, a class that scarcely existed in France until mutual funds were promulgated for the first time in the mid-1970s.

Mr. Balladur announced last month that the government planned to introduce retirement savings plans. Each individual will be able to save up to 6,000 francs ($999) a year, a sum that must be invested in stocks or bonds to qualify for accompanying tax advantages.

Another measure will be to sell stock in privatized companies on favorable terms to the companies' employees, a measure also intended to increase workers' sense of involvement in their firm and thereby guaranteeing a measure of social peace.

In the case of Saint-Gobain, for example, employees will have the choice of buying shares at 5 percent below their launch price and be free to sell them as they wish or to buy at 20 percent below and be obliged to keep the shares for a minimum of two years before selling.

Mr. Balladur said that these measures plus the creation of two investment funds for staff would ensure that employees held 10 percent of Saint-Gobain stock, a government target for all the denationalized companies.

Small investors, buying a maximum of 50 Saint-Gobain shares at the time of denationalization, will receive a bonus of one share for every 10 that they retain for 18 months.

But, for all Mr. Balladur's incentives, many analysts are worried by the prospects for denationalization in France, a process which could well suffer from a currently nervous market.

When Mr. Chirac was elected last March, the Paris Bourse was booming, buoyed by falling oil prices and a stationary rate of inflation achieved under the former Socialist prime minister, Laurent Fabius.

But in May, the market, reacting to falling

Continued on page 10

JULIAN NUNDY is on the staff of the International Herald Tribune.

Sweeping Reforms Promised

Political Stakes Are High for Chirac

By Axel Krause

PARIS — Management of the French economy may again become the decisive issue in the next presidential election, which is scheduled for 1988.

The main reason, according to many observers, is that the conservative government of Prime Minister Jacques Chirac was elected last March on a pledge to stimulate growth and reduce unemployment by introducing sweeping reforms.

However, despite some decidedly important bright spots, such as lower inflation, the economy is expanding only moderately, unemployment remains at record levels and French industry continues to lose export market shares amid widespread concern in France and abroad that more vigorous action is needed. The volume of the Paris Bourse is sagging.

Rumors have cropped up in London and Paris banking circles about a new franc devaluation early next year, which would be part of a realignment of the European Monetary System.

"The economy, and specifically, unemployment, will be the issue in the next presidential election, along with security and terrorism," said Edmond Alphandery, a conservative deputy in the National Assembly.

Mr. Alphandery, also an economist and supporter of Raymond Barre, the former prime minister who is a presidential contender, believes that the economy will become the central issue when "people here realize that economic crisis is no longer a worldwide phenomenon; that the unemployment situation, for example, is improving elsewhere."

The man currently at the helm, Edouard Balladur, the minister of finance, economics and privatization, radiated confidence in a recent interview in his office. He said: "Looking at our policies and reforms since coming to power eight months ago, I believe France is now headed in a good direction. All that is possible is being done to develop economic expansion — that is now being understood by the French people."

As the second most powerful man in the government after Mr. Chirac, Mr. Balladur is entrusted with a highly delicate mission: to gradually reduce the role of the government in the economy with a view to stimulating growth and jobs while easing prices downward in a traditionally inflation-prone economy.

"We are doing exactly what we said we would do," he said, adding that critics inside and outside the government who urged more drastic measures, such as lowering interest rates, were being "irresponsible."

Since taking power, the government has introduced a string of reform measures that have included decontrolling prices, virtually eliminating exchange controls, starting denationalization of 65 banks and financial groups, easing worker-firing rules, reducing income and corporate taxes and some government charges paid by employers, expanding employee shareholding in privatized companies and establishing several regulatory agencies.

Substantial spending cuts will push the 1987 government budget deficit to a record low — 2.5 percent of gross domestic product, compared to 2.9 percent this year. Equally important, for the first time in 30 years, government spending next year is projected to rise less swiftly than prices.

Claude Gramezoud/Collectif

Edouard Balladur

Lively promotional campaigns have been organized, emphasizing what one governmental adviser describes as "the quiet, Chirac revolution — the plan to bring capitalism and entrepreneurship to France."

Some examples:

- A government-sponsored television commercial shows a stallion shrugging off chains and galloping into a field. "When you provide the economy air, everyone breathes easier," says the announcer.
- Alain Madelin, industry minister, recently named Jacques Maisonrouge, a former IBM executive, to take over the No. 2 spot in the ministry. "From now on," Mr. Madelin said, "this ministry must adopt, and no longer orient, much less direct, the life of companies."
- The government is helping the White House host a conference on private-sector initiatives in Paris next week. About 200 senior executives and senior government officials from the United States and West European countries are expected to participate in the program, which will include a speech by Mr. Chirac and a videotaped address from President Ronald Reagan.

The political stakes in successfully driving home the message are considerable for both Mr. Balladur and Mr. Chirac since Mr. Chirac is widely expected to be the leading conservative candidate for president, while Mr. Balladur may be his choice for prime minister.

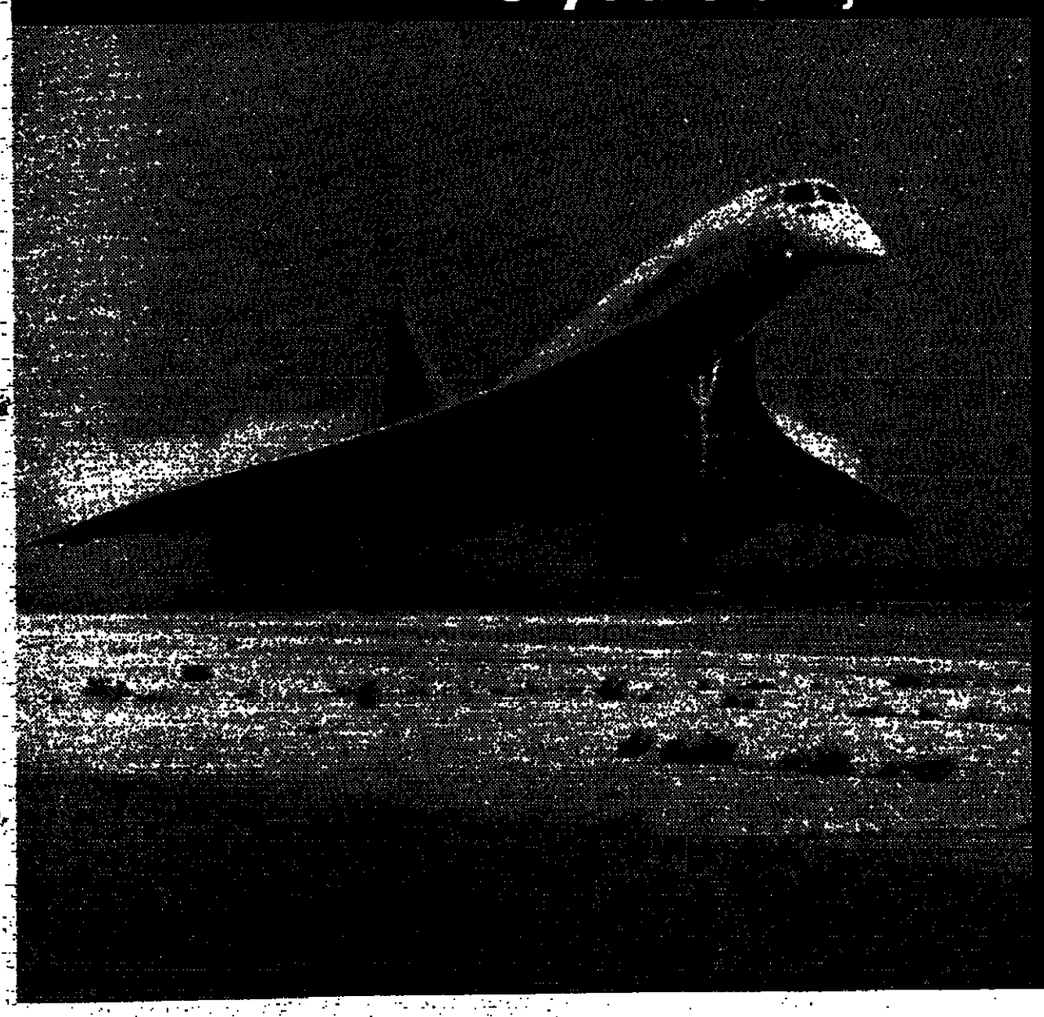
According to French political strategists and diplomatic observers, success or failure on the economic front could decide their political fortunes and that of their party, the neo-Gaullist Rally for the Republic, which currently dominates the coalition of conservative parties controlling the National Assembly.

Mr. Alphandery, and even former Socialist

Continued on page 8

AXEL KRAUSE is the economics correspondent of the International Herald Tribune.

10 years old, and still 20 years ahead



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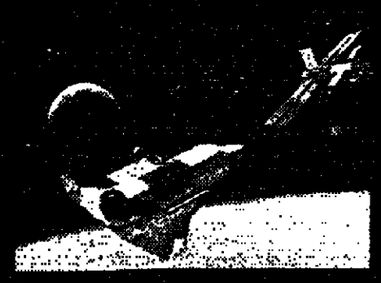

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Economic Losses ■ Risk-Taking Encouraged

Terrorism: Adding Up A Long, Expensive Bill

By Joseph Fitchett

PARIS — As models showed next spring's ready-to-wear fashions at the collections last month, the crowd along the runways was noticeably thinner than usual.

"The usual horde of fashion groupies stayed away this fall, some because they were scared there would be bombs, some because they knew there would be security hassles," noted a Paris-based American model.

"But most of the buyers came," she said, adding: "Professionally, they had to — and they're the people, after all, who really buy."

Like the fashion world, the rest of the Paris business world is trying to put the best possible face on the cost of terrorism.

Beyond the human loss caused by the terrorist bombings, the French economy has paid a stiff price to meet the costs of terrorism and anti-terrorism.

> Overall business sales levels have not recovered.

"Nobody has a figure, but it's a huge order of magnitude," said François Essig, director-general at the Paris Chamber of Commerce.

But a Paris-based executive added: "We're talking hundreds of millions of dollars just for new security alone, not mentioning all kinds of businesses' yield erosion," a word used in boardrooms for reduced profits in Europe this year.

Mr. Essig's office estimates that Paris stores suffered a 30-percent drop in sales in September, when a wave of bombs killed nearly a dozen people and wounded several hundred.

Some categories of businesses were hit even harder; for example, cinemas and restaurants, airlines and hotels.

On top of lost sales, many companies have had to shoulder extra costs involved in installing anti-terrorist facilities.

"Major airlines flying the North Atlantic are having to spend at least $500,000 this year and $700,000 next year to comply with new requirements for security at Paris airports alone," said an industry source, who asked not to be identified to protect his company.

These new costs cover additional security measures at check-in counters and also round-the-clock guards for airliners on the ground to maintain surveillance of the service personnel.

The French government, too, has a heavy bill. Taxpayers have to pay for the costs of police overtime and reinforcement, and the government has lost money in lost sales taxes, in additional national-health expenditure and in claims for compensation from victims.

A total figure may never emerge because so many variables are involved.

The uncertainties are partly deliberate. "We don't give out figures for detailed police costs," said a spokesman for the Interior Ministry. He implied that the acknowledgment of the economic damage of terrorism might help the terrorists' strategy.

During the bombing wave, François Léotard, *minister of culture and communications*, appealed to Parisians to maintain their normal activities. "Staying at home helps paralyze national life, which is one objective of the terrorists," he said.

But uncertainties are also in the nature of the question. "Lots of Americans stayed away from France this year because the dollar has fallen so far against the franc, but thought it sounded better to say they were boycotting France because the government was not going along with the United States on terrorism," said a U.S. executive in Paris.

When terrorism suddenly hit a peak in September in Paris, it was after a year when terrorism had already battered the French economy. As the Reagan administration stiffened its anti-terrorist policy, culminating in the bombing raid on Libya last spring, many Americans decided to avoid Europe during their vacations because they feared terrorist reprisals there.

Some fears were unavoidable. For example, major companies were told that their insurance coverage would be jeopardized if they insisted on sending several members of top management to Europe simultaneously.

The French Riviera was especially hit hard. In Cannes, the hotel owners' association will only acknowledge a slight drop in business during the summer. It says that the occupancy rate in the top hotels was down in July to 67 percent, compared to 86 percent in July 1985.

This is an over-optimistic version, other sources say. "The hotels and airlines were running fire sales all summer long for France," said an airline executive. "I was able to get rooms and get rates for friends with unheard-of ease."

"It was a tough go-round for everybody," said Frederick Paul, head of Pan American in Paris.

Major airlines flying the North Atlantic to Paris suffered 30 percent cancellations in May and June this year. Air France, in an effort to gain passengers, advertised "summer reductions" instead of the usual summer surcharges.

After the September terrorism bout, U.S. carriers to Paris quickly moved onto their winter schedule, offering a single daily flight to Paris instead of two. This, in effect, halved their New York-Paris capacity, so there are a lot fewer empty seats.

While the Riviera, whose main industry is tourism, suffered badly, Paris is less clear about how badly it was hurt.

At the Chamber of Commerce, Mr. Essig said that Americans were conspicuously fewer in number this summer. "But their places were taken by a big increase in German and Scandinavian travelers," he said.

However, he acknowledged that northern European tourists are no match for Americans in spending power. "In that sense, the situation had an extraordinary impact" on tourist-oriented sectors of the Parisian economy.

Another variable is the degree to which business travelers have been deterred. "Attendance was down by one-third at Sicob, the office-equipment salon, and by one-fifth at the auto salon, but sales didn't suffer proportionately because most of the people who really wanted to buy, came and bought," Mr. Essig said.

But he acknowledged that overall business sales levels have not recovered fully, especially where foreigners are concerned.

In some cases, the formalities of French anti-terrorism are daunting. On the TGV bullet train, police search passengers' luggage and, if a suitcase cannot be identified, the train is stopped and the bag hurled out along the tracks until it can be probed.

Recently at a Paris airport, a reporter waiting for a delayed flight saw five bags destroyed by police-run robots because their owners failed to respond to announcements asking them to identify their luggage. New visa requirements have resulted in long lines at immigration desks.

In the long run, France's new defenses may help the country by making it safer, said Mr. Reid of Pan American. But the new defenses are costly.

Refusing to divulge figures or costs for extra police work, the Interior Ministry simply confirmed that all police leave was canceled for six weeks while the authorities tried to capture the bombers in Paris in September and then prepared the heavy security for the visit of the pope to Lyon in October.

But the budget of the Interior Ministry, which in France controls most of the police units, will rise 6.5 percent next year. In a period of budget austerity, the Interior Ministry and the Defense Ministry, which controls the other security units, were the only ministries to avoid cuts and get increases.

For two months, 12 companies of paramilitary riot police have been re-assigned to Paris to reinforce security there, and army units have been deployed in airports and along highways to tighten surveillance.

JOSEPH FITCHETT is the diplomatic correspondent for the International Herald Tribune.

Daniel Simon/Gamma

Security is heightened on the Champs-Elysées.

Entrepreneurs Gain New Prestige, Power

By Ronald Katz

PARIS — At the National Agency for the Creation of Businesses, the telephone rings incessantly. The ANCE, as it is called, was set up in 1979 with government backing to counsel would-be entrepreneurs.

Now, harried counselors in the central Paris office see 180 clients a day (19,000 over the last year), advising them on matters ranging from how to present themselves to prospective backers to the drawing up of market surveys.

"The interest in business start-ups has quickened in France," said Christian Chamaillard, an ANCE spokesman.

France's new flirtation with entrepreneurship results from several factors: a flurry of legislation designed to encourage the creation of new firms; the emergence of self-made millionaires, such as Bernard Tapie, who have changed the negative image of the entrepreneur in France, and a rise in unemployment to nearly 11 percent of the labor force.

There has also been a spillover from Reaganomics, which has convinced politicians of the left and right that the entrepreneurial ethic, with its reliance on risk-taking and innovation, can be the tonic to revive a stagnant economy.

The previous Socialist government, which initially focused on sustaining larger, existing firms, did a turnaround in 1983-1984 and passed several laws to encourage smaller enterprises. Among the more notable was a measure eliminating taxes on the profits of industrial firms during their first three years of operation.

Another new law allows employees having three years of seniority to take a sabbatical leave for a year and in some cases up to two years, with their former jobs guaranteed, if they intend to start up a new firm. Still another permits unemployed workers to draw up to six months of their unemployment benefits in advance and to use those funds as investment or collateral in starting their own ventures.

The Socialists' initiatives were reinforced by the conservative government of Jacques Chirac when it took power in March. After a bitter fight, the right pushed through a law removing the requirement that companies first receive government approval before laying off workers. France was the only Western country to impose such requirements, which were widely seen as stifling hiring and innovation.

Minister of Finance, Economics and Privatization Edouard Balladur also canceled social charges for employers hiring workers, aged 16-25. But despite the political consensus in favor of enterprise creation, the outlook for small business remains mixed. Bureaucratic and financial barriers, and a lingering cultural bias, create a gulf between government policies and their practical application.

During one of his television shows, Mr. Tapie, the flamboyant entrepreneur who specializes in turning around failing firms, pointed to a mound of documents needed to start a business in France. He then waved a couple of sheets in the air, the number needed, he said, to get started in the United States.

The government has tried to prod the bureaucracy with a December 1984 law requiring the clerk of the Commerce Court to respond within 15 days to any demand to register a new firm. But some observers doubt the measure's effectiveness. "I don't think it's filtered down to the bureaucrats that they are supposed to expedite forms," said Sergio Arzeni, a specialist in innovation at the Organization for Economic Cooperation and Development.

But the biggest impediment to start-ups is the difficulty in finding finance. On paper, the government cannot be faulted for a failure to provide incentives. Private venture capital companies in France are exempt from corporation tax on income and net capital gains on the shares of nonquoted companies they hold. Innovation finance companies, or SFIs as they are known in France, which promote research and new inventions, have a special depreciation allowance of 50 percent.

However, the concept of risk has not yet been fully developed by French venture capital companies, many of which invest the bulk of their funds in existing firms where there is a good chance of an immediate return on investment. Sofinnova, France's largest venture capital company, invests only 20 percent of its liquid capital in start-ups and will not consider lending to a new business having capital of less than a million francs ($150,000).

In addition, the procedures for obtaining finance can be lengthy and dispiriting. Dossiers can be held by the banks for months; revised forecasts can be repeatedly demanded.

Christiane de Froberville, an entrepreneur who spent 18 months raising finance for a studio to produce animated cartoons in the Pas de Calais, said: "Most French banks are not set up to take risks, no matter what the government says."

RONALD KATZ, who works at the economics secretariat of the International Chamber of Commerce in Paris, writes on business issues for several publications.

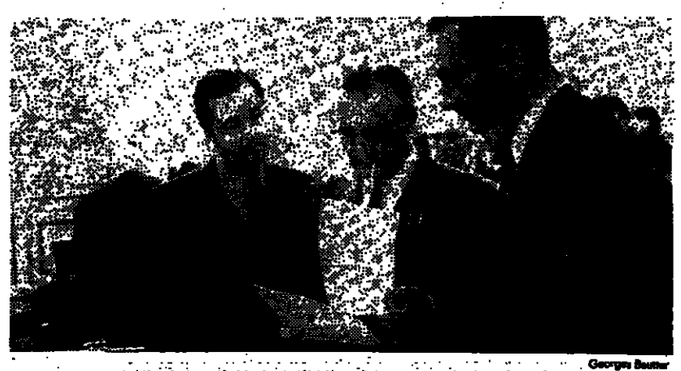
Pompidou Heritage

PARIS — On the mantelpiece of Edouard Balladur's office is a photo of the man who not only provided him the first key job in government, but profoundly influenced his life: Georges Pompidou, the former prime minister who succeeded Charles de Gaulle as president in 1969.

A similar portrait is in the office of Jacques Chirac, the current prime minister, and in those of half a dozen other members of his government, who also worked for Pompidou and were greatly influenced by him and his style. The photos are but the visible signs of belonging to a small, elite group known as *"les Pompidoliens."*

Those in the group reflect some of Mr. Pompidou's personal traits, such as striving to adopt a certain reserve, calm and detachment with regard to events and political life. Above all, they are emotionally and historically tied to a man they admired perhaps even more than De Gaulle, even though most of them always display allegiance to the general's memory.

It was Mr. Pompidou who, as De Gaulle's prime minister, brought together Mr. Balladur and Mr. Chirac during one of the most explosive periods of French post-war history — the student revolt and general strike of May 1968.



Georges Bauter

Prime Minister Georges Pompidou, center, with two of his key advisers, Edouard Balladur, left, and Jacques Chirac, in 1968.

During that period, L'Express magazine recalled in a recent profile of Mr. Balladur, "the future president [Pompidou] turned for support to two pillars — his adviser for social affairs, Edouard Balladur, and his then state secretary for employment, Jacques Chirac. The trio was formed."

"Being a *Pompidolien is difficult to describe*, but we all were greatly influenced by him," said Denis Baudouin, who was Pompidou's director of information at the Elysee Palace in the early 1970s and who is currently Mr. Chirac's spokesman.

"We were drawn by Pompidou's calm, forceful approach, his quality to synthesize and avoid dramatization; that, perhaps more than any other factor, characterizes us," added Mr. Baudouin.

"From the beginning of this government, Balladur has been a kind of mentor for Jacques Chirac," said one of the Pompidoliens. "The point is that Balladur projects something of a strong, father image, the same way Pompidou did for many of us in the 1960s."

Axel Krause

Stakes Are High for Chirac, Balladur

Continued from page 7

ministers when speaking in private, concede that reforms carried out since the March 16 parliamentary elections have moved in the right direction, continuing earlier policies.

Yet, he also firmly believes that Valéry Giscard d'Estaing lost the presidential election to François Mitterrand in 1981 because of his failure to resolve unemployment. Largely for the same reason, Mr. Mitterrand's Socialist Party lost the March elections amid pledges by Mr. Chirac that his proposed changes would bring growth.

What is needed, Mr. Alphandery says, is "a genuine leap forward," particularly in greatly easing fiscal policy. He believes this is essential if France is to avoid being outdistanced by West Germany, its largest trade partner.

The International Monetary Fund, in a confidential report, has also raised some pointed questions about the government's program, but concludes that it is on the right track.

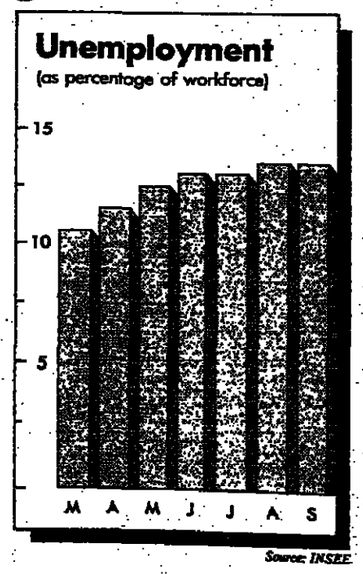
Published in September, the report generally gave the government high marks, noting, for example, that the impact of a moderate franc devaluation within the EMS earlier this year will only "reach its height in 1987," thus dampening any need for another devaluation soon.

The report warned about structural weaknesses in French industry, however, notably in the export sector, and forecast a slowdown in the economy's overall rate of expansion next year.

The IMF also praised the government for removing exchange controls but noted that the administrative structure for controls has not been dismantled.

Nevertheless, the IMF urged that current policies be continued, a conclusion Mr. Balladur described as "good" and "encouraging." He said that leftist opposition leaders, among others, lack firm, alternative strategies, particularly with regard to lowering unemployment. "They really are quite moderate in their criticism, don't you think?" he said.

Based on forecast reports and conversations with bankers, economists, diplomats and political leaders in France and abroad, the following economic picture emerges: France is experiencing very moderate expansion, just over 2 percent in GDP growth, roughly double last year's virtually stagnant rate of 1.1 percent. GDP measures a nation's total output of goods and services, but excludes foreign investment flows.



Source: INSEE

Few of those interviewed, however, said they believed that France could achieve the government's goal of 2.8-percent GDP growth next year. The IMF forecasts 2.2 percent growth in 1987. Five out of six private forecasting groups, recently surveyed by Le Figaro newspaper, also were below government estimates. The European Community Commission recently projected 2.5-percent growth, placing France slightly below the EC average.

The dilemma for Mr. Balladur is that to make a dent in the high unemployment level, a growth rate of at least 3 percent is needed. But the jobless level, at about 2.5 million people, is not receding, even though, as Mr. Balladur notes, job creation is under way in many sectors of the economy.

Most forecasts agree that France's unemployment rate of 10.5 percent will remain at that level, or rise slightly next year, while, as Mr. Alphandery and others note, unemployment is expected to decline next year in West Germany, Italy, the Netherlands, Spain, Portugal and Ireland.

There are brighter spots. The 12-month inflation rate, compared with a year ago, is at just under 2 percent, the lowest level in more than two decades. Most observers, including the IMF, expect a trade surplus this year of between 5 billion francs ($757 million) and 7 billion francs, and moderate investment growth of around 3 percent this year, compared with 2 percent last year.

Denationalization of three state-owned groups is proceeding on schedule, and others will be named shortly.

"Everyone wants to be privatized," Mr. Balladur said, commenting on requests by the remaining 62 companies, banks and insurance groups that await privatization.

A more cautious assessment, reflecting widespread opinion in the international investment community, was contained in a confidential memorandum prepared by a senior Western diplomat based in Paris who follows the economy closely. "One should be cautious in concluding that France is a fundamentally changed country," he said.

"It is too early to do more than cheer the French for their good start, because this country is only now stepping beyond the postwar era. But I believe it would be difficult to identify much deep political commitment by the population for a major change in the institutions, and surely not yet by the unproven, free-market-oriented right," he said.

Mr. Balladur was decidedly noncommittal when asked what might happen if the conservatives win the next national elections, and specifically, whether his reforms might be significantly accelerated. The government is doing all in its power to provide the conditions for growth, he emphasized. "I prefer to limit my comments to that, at this point."

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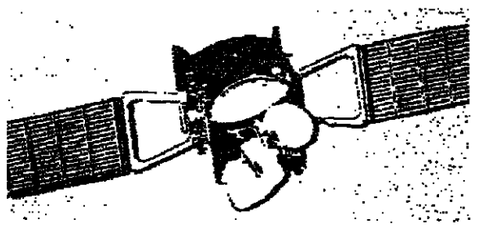

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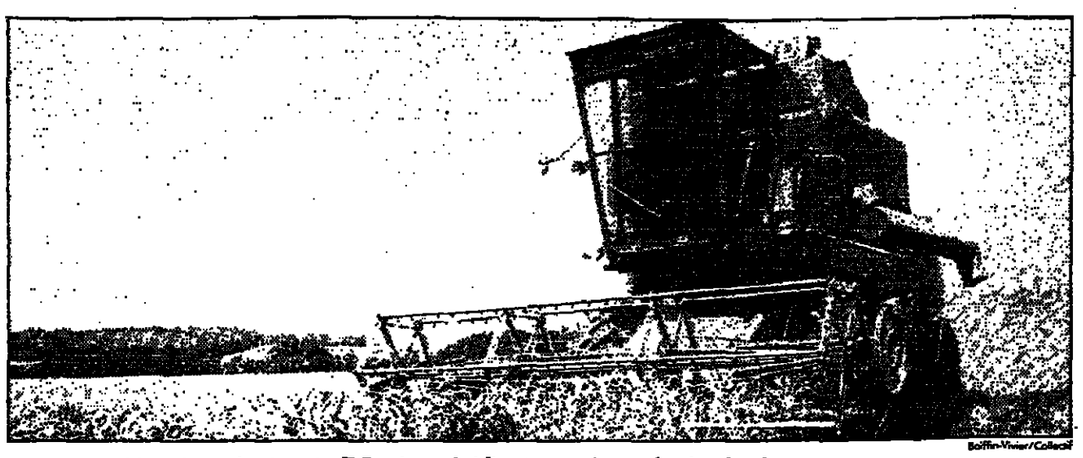

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France would prefer reductions in EC price subsidies to cuts in production levels.

Paris-Bonn Battle Lines Drawn

By Peter Maass

BRUSSELS — When he was president of France, Valéry Giscard d'Estaing referred to agriculture as his country's "green petrol." Like the real thing that Mideast countries have pumped out of the ground and sold for billions of dollars, agricultural products in France have always served as the cornerstone for export earnings and economic well-being.

But just as the world's oil-producing countries are falling on hard times due to a glut in oil, France and its European Community partners are faced with a massive surplus in farm goods and a very expensive policy of price supports and export subsidies.

This has put France, the community's largest producer and exporter of agricultural goods, on the defensive. Most experts have been insisting for several years that the EC stop pumping out its surpluses of "green petrol," and many of the proposed remedies to limit output would be particularly harmful to French farmers.

The need for reform of the Common Agricultural Policy (CAP) has become even more acute as the cash-strapped community finds itself increasingly incapable of shouldering the policy's annual costs, which are more than $20 billion. This has led to a standoff between France and West Germany, which support very different reform programs adapted to the specific structures of their farm sectors.

In general terms, French officials prefer cuts in EC price supports, while the Germans lean toward a reduction in export subsidies and, in the long term, a mandatory slowdown in farm production. These French-German battle lines are not particularly new, but the fervor of the fighting is reaching new heights.

"The widespread introduction of [production] quotas would be a serious error," Prime Minister Jacques Chirac warned in October. "It's the type of false solution that would lead to the death of agriculture." He called for continued EC export subsidies and vigilance against aggressive marketing by the United States.

This stance has caused several problems for the EC, and at the top of the list are the General Agreement on Tariffs and Trade preparatory talks that were held in Punta del Este, Uruguay, in September. The United States insisted that the preparatory talks, held to lay the groundwork for new international trade-liberalization negotiations, approve the inclusion of agricultural export subsidies on the *GATT agenda. However, before the Uruguay* session, France pushed a hard line on the community, insisting that the Europeans agree to farm-export talks only if a broad range of agricultural issues were included.

However, the result of the Uruguay talks was, in the agricultural sphere, mostly successful for the EC and France. The new GATT negotiations are to consider indirect farm subsidies in addition to direct subsidies, such as those accorded to EC exporters.

> France and West Germany support very different reform programs.

Still, officials in Brussels suggest that the community will have a hard time defending its export subsidies once the new round gets under way next year, and many EC countries, such as West Germany, are not keen to see the community devote much energy to defend a policy that they do not wholeheartedly endorse.

This partly reflects the division in the community between Paris and Bonn over the mild Common Agricultural Policy reforms that each side is willing to support. On the surface, it seems odd that France opposes West Germany's proclivity toward production cuts as a way out of the EC's money and surplus problem.

As an EC diplomat noted, "France is always saying we shouldn't concentrate on reducing our production."

However, there is a clear logic behind the French stance. Production lids would, in effect, put a ceiling on Paris's exports. France, whose agricultural sector is viewed as one of the most efficient in the world, would thus prefer a CAP reform that would allow market forces to play a more important role in the community.

The French are willing to accept changes that reduce EC farm spending by reducing *price subsidies: The less-efficient farmers in* other EC countries would be forced out of business by a consequent decline in their narrow profit margins, while the more profitable French farmers could continue pumping out their produce and compete on world markets.

Such a solution, however, raises big problems in West Germany, where the farms are smaller and not regarded as efficient. Analysts believe that an EC price reform, which could be accepted in France despite a considerable number of small farmers there, might be lethal for portions of the German farming sector.

An EC official explained, "The more you emphasize the need for a market-oriented approach, the more you put into question the viability of the small farmers."

The dispute between France and West Germany, the two *giants of EC agriculture, dates* back to the beginnings of the EC in 1957. To bring the disparate European countries together, lots of deals were made before the Treaty of Rome was signed. For example, the opening of *France's industrial market to the other EC* members was exchanged for an opening of their agricultural markets to French farmers.

However, this did not work out as planned. France claims it was not able to export as much *to other EC countries as it expected. Mean*while, the French argument goes, the less efficient German farm sector thrived under the EC's protective and high-priced agricultural policy, crowding out some French imports.

The EC did set in place a generous program for export subsidies, which were enthusiastically taken up by French farmers seeking new markets. But with surpluses piling up and money running short, West Germany now *favors restraining some of these subsidies, argu*ing that the community earns little, if anything, by selling highly subsidized products.

PETER MAASS writes for the International Herald Tribune on the European Community.

Scramble in Telecommunications

By Amiel Kornel

PARIS — For a company born of deregulation, American Telephone and Telegraph Co. has some surprising supporters in its bid to become a major player in French telecommunications. Oddly enough, those standing to lose the most from bringing an aggressive competitor into France's monopolistic market are among the most visible proponents of AT&T's effort to set up shop here.

In fact, industry analysts and executives recently suggested that efforts by some corporate and government officials to limit France's movement toward liberalization may explain much of the current struggle surrounding the country's telecommunications industry.

"Far from seeing a liberalization of the market, we're really seeing a freezing of market share," said Henry Ergas, an economist with the Paris-based Organization for Economic Cooperation and Development.

International competition in telecommunications has been heating up for the past year. Faced with the gradual opening of hitherto nationalistic equipment markets around the world, companies are trying to sign deals with foreign public telecommunications administrations.

Competition is being introduced into the services area at the same time, as governments *react to the deregulation of AT&T in the Unit*ed States. National telecommunications authorities, which would be forced to compete with private firms in a deregulated environment, may be using their domination of equipment markets to gain leverage before the new age begins, observers say.

Hardly a day goes by without yet another press report about the planned merger of the telecommunications activities of ITT Corp. and France's Compagnie Générale d'Electricité (CGE) or the continuing search for an international buyer for Compagnie Générale des Constructions Téléphoniques (CGCT), CGE's meek rival.

The saga started about 18 months ago when AT&T's joint subsidiary with N.V. Philips of the Netherlands, APT, expressed an interest in buying loss-making CGCT. In its dowry, the otherwise unattractive firm would offer its chosen partner a captive, 16-percent share of the French public telephone switching market.

As discussions dragged on, the line of suitors grew. West Germany's Siemens AG, Europe's second-biggest telecommunications equipment maker, and Sweden's L.M. Ericsson, fourth-ranking in Europe, presented counter bids to the French government, CGCT's sole shareholder.

In July, the tentative CGE-ITT agreement was announced and France took center stage in the unfolding restructuring of worldwide telecommunications industries.

The scene has since become highly politicized, with government officials in Washington and Bonn seeking to pressure Prime Minister Jacques Chirac to wed the CGCT to their respective country's firm. The Industry Ministry has said that the government will choose the winner before the end of December.

Through the sale, France is seeking to assure that the state-run telecommunications authority, the Direction Générale des Télécommunications (DGT), has at least two strong, competitive equipment suppliers. It also hopes to help open up foreign markets to French-made public switching systems.

> 'We're really seeing a freezing of market share.'

But the DGT is caught between its need for a choice of competitive suppliers, critical to its own future competitiveness, and a reflex to squash, or at least weaken, attempts to loosen its hold on services.

The authority has said that AT&T's switches are best suited to its future needs. However, officials of the Postal and Telecommunications Ministry, the PTT, privately scoff at the idea that Siemens or Ericsson could not satisfy the country's telecommunications requirements. They point out that four Bell Operating Companies in the United States are currently considering the purchase of Siemens exchanges.

Although the DGT comes under the control of the PTT, the conservative government is said to have a tense relationship with the powerful telecommunications authority.

Then why is the DGT backing AT&T? "AT&T, like the DGT, is also a service provider," noted one French industry source.

The suggestion is that, through its domination of the public switching market, the DGT could exert pressure on AT&T to make concessions in the services area. AT&T and the DGT also already have experience in negotiating lucrative trans-Atlantic telephone rates.

Selling services, rather than switching equipment, may also be AT&T's principal aim. While the market for telephone equipment is expected to slow to below 5-percent growth in Europe, the value-added services market is likely to explode.

"It's a delusion to think that the switching market in France, Europe, or elsewhere is a growth industry," said Mr. Ergas.

"If I were AT&T," said Robert Bonami, director of CGCT's public telecommunications division, "I would be interested in France as a country where there could be new services. But AT&T can't present itself as being interested as a service provider. That would set off defensive measures."

Analysts are skeptical of the claim that an alliance with AT&T would assure French industry entry into the lucrative U.S. market.

"What can AT&T give the French telecommunications industry?" asked Douglas Hawkins, high-tech analyst with London stock brokerage James Capel & Co. He added, "The trouble with AT&T is that [since deregulation] they don't have a market in America any longer. . . . There is nothing that AT&T can bring to the party."

Like the DGT, CGE also supports the AT&T bid to buy its until-now inoffensive French rival. "It's in our interest that AT&T concludes this agreement and becomes the second French *supplier of exchanges,*" said a CGE spokesman.

He noted that CGE, a diversified industrial group with interests also in energy and electricals, signed a preliminary agreement last year *with AT&T covering microwave transmission* equipment that only becomes operational if AT&T succeeds in its CGCT bid.

Why would CGE, which should soon lead the world's second-largest telecommunications *group, seem unperturbed by the arrival of* number-one positioned AT&T?

"The Europeans vigorously defend their own markets, especially against other Europeans," suggested Mr. Hawkins. "They'll do business with the Americans, Japanese and even the Russians before doing business with other Europeans."

Others say that CGE may feel less threatened by AT&T than Siemens when it comes to the equipment market. "If you're running in a race," said Mr. Ergas, "and someone asks you to choose your competitors, you won't select Sebastian Coe."

CGCT officials do not hide the fact that they would prefer to see Siemens chosen as their future partner. "Siemens would surely be a tough competitor" for the CGE-ITT conglomerate, said Mr. Bonami. "AT&T could be perceived as less troublesome."

AMIEL KORNEL is the European editor of Computerworld Communications.

Unions Turn Away From Strikes

By Brigid Phillips

PARIS — Last month, French unions held a national, daylong public service strike, *planned as the biggest* walkout since 1977. Participation was disappointing and, for many, the strike confirmed that French unions are more anxious to negotiate than strike.

The public servants oppose the conservative government's wage freeze for their sector. The unions claim that under the freeze they will lose purchasing power, despite government promises that living standards will be maintained. *The strike was also to protest elimina*tion of 19,600 jobs through attrition from the 2.58-million-member public sector.

Despite the strong jobs-and-money issues, the strike drew less support than union leaders had hoped — 31-percent participation, according to government figures, around 50 percent and up to 70 percent in some ministries and regions, according to the unions.

The unions blame the poor showing on lack of coordination among union leaders. But the lackluster support for the strike may have reflected what many analysts have noticed for the past few years — French labor is less willing to strike and more open to negotiation.

The number of strike days has dropped steadily over the past seven years. At the same time, there has been a constant increase in the number of agreements on wages and working time negotiated within companies.

*Ironically, on the same day the unions orga*nized the public service strike, union negotiators finalized a major agreement with the national employers' association on a formula for carrying out a new government regulation *making it easier to fire employees.*

Hervé de Charette, minister for the public service, said the agreement made Oct. 21 a "historic day" in French labor history. "People will soon forget the strike on the same day ever *happened," he said. "But the agreement* worked out between the unions and the employers marked a new step forward for constructive negotiation in France."

Mr. de Charette is the minister who faces *"the most delicate" dealings with unions in the* next few months. He comes to the bargaining table with nothing to bargain; both wage freezes and staff cuts are non-negotiable. Nonetheless, Mr. de Charette says his priority *is to bring the unions into negotiations. "In a* spirit of exchange and discussion," he says he wants to work with labor organizations to modernize the cumbersome civil service.

The "round table discussions" that Mr. de *Charette has already launched with the unions* will serve two purposes. The first priority is to introduce new technologies, revamp training programs, restructure management and introduce a merit system in order to give the public *service a more efficient image and more mod*ern style.

Secondly, Mr. de Charette said he is using the public service negotiations to send a signal to the rest of the country. "For as long as the *civil service has existed in France, the private* sector has taken its cues from the way the government deals with its public servants," he said. He added: "The unions will have a very big role to play in redesigning our public service. *The changes will happen only with the* agreement and help of the unions."

Reaction is positive with several main unions. The French Democratic Labor Confederation (CFDT), considered pro-Socialist, *has openly switched to a policy of compromise* with employers over the past few years.

Although major issues such as the cuts in the public service call for symbolic strike action, the CFDT leader, Edmond Maire, has said he *considers strikes a "mythology of the past."*

BRIGID PHILLIPS is a Paris-based journalist.

Privatization Starts Slowly

Continued from page 7

prices elsewhere, dropped sharply although it went on to recover over the summer. Again in September, prices dropped, to recover later. Much of the earlier buoyancy had dissipated.

"I am not advising my clients to look at the denationalized issues as yet," one French investment counselor said. "For the moment, there are plenty of well-established issues that *are doing well and I'm sticking to them. As for* denationalization, we are not yet sure how it is going to be achieved and how the market will react."

Such sentiment is reflected in the mediocre *performance of the nonvoting stock of the* companies facing denationalization. Such stock is expected to be exchanged on privileged terms for ordinary voting shares once privatization goes through.

The Paribas certificates, *for example*, were trading at the end of last month at 905 francs, down by more than 100 francs on their best level last spring. They rose briefly above the 1,000-franc mark when the company's return *to the private sector was announced in Septem*ber. But by the end of October, they were trading at 0.8 percent less than at the beginning of the year.

As for the Saint-Gobain certificates, they were trading at 306 francs at the end of last month, an increase of only 4.1 percent since January. Trading in the certificates was halted on Nov. 3 in preparation for the company's denationalization.

In the same period, the stock of the Peugeot automobile manufacturer rose by 119 percent, while that of another Bourse staple, the Lafarge-Coppée cement concern, rose by 88 percent.

Economic analysts attribute the apparent lack of interest in privatization to inadequate information.

In Britain, before each privatization, a publicity campaign ensured that the population at large had good advance warning. Full-page advertisements carried eye-catching application forms to purchase stock.

In Saint-Gobain's case, the government gave the go-ahead for a television advertising campaign to start only three weeks before the company's stock was due to be traded. Advertisements carried in the national press carried a *form but only* for readers to write off for a guide on how to become a shareholder.

Another doubt in analysts' minds stems from the speed with which the first privatizations have been carried out. They fear that government desires to produce results before the presidential elections may have dictated the timetable.

The preparations for selling British Telecom, Britain's telephone and telecommunications network, took two years, compared to the eight to 12 months in the first three French privatizations. But bankers familiar with the British Telecom privatization point out that it involved a government department that had never had a commercial management structure.

Both Saint-Gobain and Paribas were nationalized in 1982, the year after the Socialists took power.

Since their absorption into the public sector was relatively recent, analysts consider that their privatization should be correspondingly straightforward.

But the AGF insurance group was never in private hands, complicating the work of placing it on the market.

The companies that now form the group were nationalized by General Charles de Gaulle's post-World War II government in 1945. They were then merged in 1973 to form the AGF.

The issue of privatization brought the first serious split in the uneasy power-sharing arrangement between President Mitterrand and Prime Minister Chirac in July.

For the right, denationalization was a key to the new "liberalism" proclaimed by Mr. Chirac.

It was also a highly symbolic break from the Socialist policies of the previous government, particularly under its first *prime minister*, Pierre Mauroy, who served from 1981 to 1984.

In March, the president promised to sign decrees presented by Mr. Chirac's government to head off lengthy National Assembly debates on issues that had been included in the conservatives' election platform.

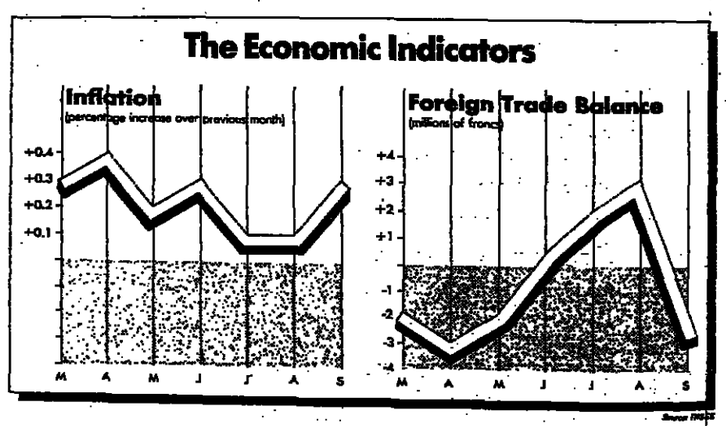
But he balked at the privatization measure — the major plank in the platform — arguing that it failed to give sufficient guarantees to ensure that national assets did not fall into "foreign hands."

Mr. Chirac then took the law to Parliament, where it was approved, heading off a constitutional crisis.

In the meantime, chief executives of 24 companies on the denationalization list were replaced in anticipation of their entry into the private sector.

One chief executive who has remained at his post through the transition is Jean-Louis Beffa of Saint-Gobain. Although he has welcomed the company's privatization as a return to "normal status," he has cautioned against losing the benefits that he says a spell of state ownership brought.

In an interview with the conservative daily Le Figaro last month, Mr. Beffa said: "Nationalization had a positive element which was the establishment of a social dialogue between management and representatives of the staff. This dialogue must be preserved."



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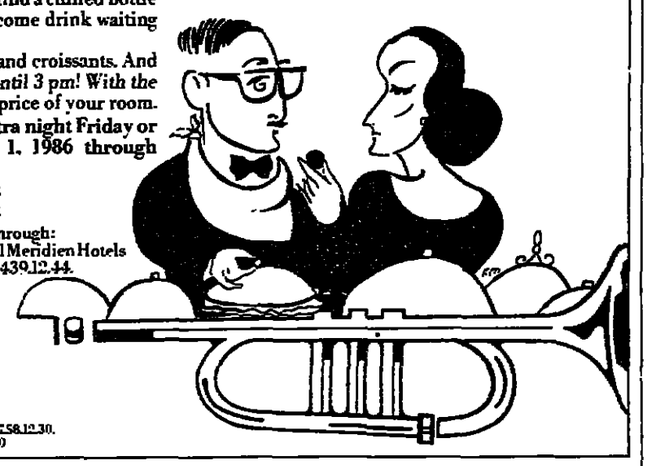

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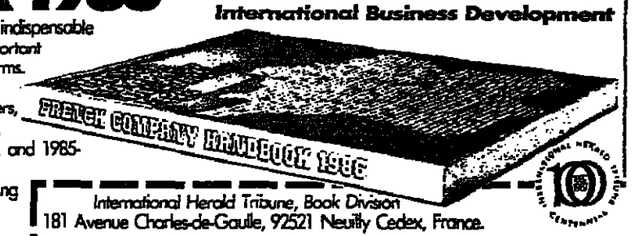

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Brazil Vote Backs Left Of Ruling Coalition

By Juan De Onis
Special to the Herald Tribune

RIO DE JANEIRO — The moderate leftist majority in President José Sarney's governing coalition has scored a major victory in elections for a new Congress and for state governorships in Brazil.

In the first nationwide direct elections since 21 years of military rule ended last year, the voters appeared to heavily favor candidates of the Brazilian Democratic Movement Party. This was the major opposition party during the years of military government.

[According to projections based on partial returns, the Democratic Movement Party was winning absolute majorities in the Senate and Chamber of Deputies, the two houses of the Congress, Reuters reported.

[The early results also showed that the party's gubernatorial candidates seemed assured of victory in 17 states, while opinion polls of voters indicated that the other six could go to the Democratic Movement Party, the rightist Social Democrats or the Liberal Front, a breakaway group of Social Democrats that split with the party two years ago to form an alliance with the Democratic Movement Party.]

Senator Severgo Gomes, a leader of the Democratic Movement Party, said the vote indicated popular support for more social investments, including land redistribution, and for a tough line by Brazil in negotiations with its foreign creditors on refinancing $100 billion in foreign debt.

Early returns showed the party winning a major victory in São Paulo, Brazil's largest and most industrialized state. Orestes Quercia, its candidate for governor, and both Democratic Movement Party candidates for senate seats were far ahead.

The losers in São Paulo were Paulo Salim Maluf, a symbol of the right and former governor of the state under the military, who lost the 1985 presidential election to Tancredo Neves of the Democratic Movement Party. Also defeated in São Paulo was the candidate of the leftist Workers' Party, Eduardo Suplicy.

The Liberal Front, a minority partner in the governing coalition, suffered a serious defeat in Bahia, where Antônio Carlos Magalhães, minister of communications, lost his dominance over the political parties in that important state.

President Ronald Reagan welcoming Prime Minister Margaret Thatcher of Britain at Camp David, Maryland.

ARMS: *Reagan, Thatcher Agree*

(Continued from Page 1)

Maryland, without even a note taker present. They also had a working lunch with their aides present before she returned to Washington.

She opened her news conference by saying that she and Mr. Reagan had agreed that in the post-Reykjavik arms-control talks, priority should be given to these issues:

- An agreement on medium-range missiles with restraints as well on shorter range systems.
- A 50-percent cut over five years in American and Soviet strategic offensive weapons.
- A ban on chemical weapons.

In Iceland, as part of a sweeping package that was not in the end achieved, the United States and Soviet Union agreed that each side would have a total of only 100 warheads on medium-range missiles, with the Soviet force deployed in Asia and the American force in the United States. All the medium-range missiles would be banned from Europe.

The most controversial arrangement that was discussed in Iceland had two parts. The first was an accord by the two sides to cut their strategic offensive forces across the board by 50 percent, with each keeping 6,000 warheads and 1,600 launchers.

The second part, dealing with the subsequent five years, was to provide even more extensive cuts. Mr. Reagan proposed eliminating all ballistic missiles in that period, and Mr. Gorbachev proposed eliminating all offensive strategic weapons by 1996.

■ Soviet Ratifies Accords

The Soviet Union has ratified two international conventions on nuclear accidents, but the government press agency Tass said that Moscow would not be bound by a provision allowing a government to take a dispute to arbitration or to the International Court of Justice, The New York Times reported from Moscow.

The reservation, reported by Tass on Friday, evidently reflected unsettled disputes over compensation arising from the accident in April at the Chernobyl power station in the Ukraine that showered radiation over much of Eastern and Western Europe.

The two conventions, which were prompted by the Chernobyl disaster, were signed by 50 governments at a conference of the International Atomic Energy Agency in Vienna on Sept. 26.

One pact requires early notification of leakage of radioactive materials from civilian installations. The other calls for prompt emergency assistance from other nations.

KIDNAP: *Manila Abduction*

(Continued from Page 1)

ing her visit. They cited this success as an indication that the tensions in Manila were not affecting the image of the government among foreign lenders or investors.

On the day of the president's return, the mutilated body of a leading leftist politician and trade union leader, Rolando Olalia, was discovered along with that of his driver, heightening tensions.

Manila had been swept during Mrs. Aquino's absence by reports that officers close to Defense Minister Juan Ponce Enrile had planned a coup.

Mr. Olalia's labor union, the May First Movement, blamed the military for his killing and announced Saturday that it was planning a general strike on Monday by its members, estimated at 500,000.

Other leftist groups said they would join the "national day of indignation," and a mass funeral was planned for Thursday.

There was no indication of a connection between the killing of Mr. Olalia and the kidnapping of Mr. Wakaoji. But both incidents added to the instability.

A presidential task force investigating the killing, including 21 separate teams, said Saturday that it had found "significant leads."

A statement issued by Justice Minister Neptali Gonzales, who is coordinating the inquiry, said that investigators had recovered bullets at the sites of the killings of Mr. Olalia and his driver, Leonore Alayay, and were "backtracking" their movements before their abduction.

Mr. Gonzales said witnesses reported that armed men with two-way radios had been stationed near Mr. Olalia's house in two cars and one motorcycle for three days before the killing.

At a news conference on Saturday, leaders of the trade union said that together with Mr. Olalia's political party, the Party of the Nation, it planned to mobilize more than two million people for its general strike in Manila and some other areas.

The political affairs minister, Antonio V. Cuenco, said a general strike would paralyze transportation and set back efforts at economic recovery.

Blas F. Ople, a conservative politician who was minister of labor in the former government, said that a prolonged general strike aimed at paralyzing the economy "would quickly shift the balance of power from the civilian government to the armed forces."

A union official, Crispin Beltran, said the union was demanding a thorough investigation, punishment of those implicated in the killing and reform of the armed forces.

IRAN: *More Arms Shipments Unnecessary, Shultz Says*

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firmed" that it was not "the right thing for governments to trade arms or anything else for hostages, just because it encourages taking more."

U.S. policy against trading arms with terrorist nations remained in place, he said.

Asked if there would be more arms shipments to Iran, "either directly by our government or through any third parties," Mr. Shultz replied: "It's certainly against our policy."

Pressed for a more direct answer, he said, "We gave a signal and the signal has been given, and, as far as I'm concerned, I don't see any need for further signals."

■ Joint Chiefs Surprised

George C. Wilson of The Washington Post reported from Washington:

The Joint Chiefs of Staff had "zero knowledge" of President Reagan's secret shipments of arms to Iran, according to officials.

Admiral William J. Crowe Jr., chairman of the Joint Chiefs, was so astonished when he heard about the deal through news reports that he ordered his top staff officers questioned to determine whether one of them had known about it and neglected to inform him, officials said Saturday.

The internal inquiry, they said, revealed that neither Admiral Crowe nor his deputies had been informed by Mr. Reagan, Mr. Weinberger or Admiral Poindexter.

Mr. Weinberger, his aides said, opposed the arms plan but apparently did not inform Admiral Crowe of its existence.

Asked how U.S. weapons and spare parts could be flown to Iran without the knowledge of the Joint Chiefs, one military official said the White House asked the armed services to provide transport for various items hundreds of times each year.

"We don't ask why when directed to take something from Point A to Point B," said a military official, "and wouldn't necessarily know what we were carrying."

Failure to inform the Joint Chiefs follows a pattern of extreme secrecy in which the White House attempted to withhold news of the Iran operation from Congress and from many persons within the administration.

Mr. Casey was ordered by President Reagan in mid-January not to tell the congressional intelligence committees of the operation, according to sources, and the president gave only scant information to cabinet officers, including Mr. Shultz.

On Friday, Mr. Shultz issued an unusual statement saying he "was not directly involved, although he was sporadically informed of some details."

Mr. Reagan, who came into office five years ago pledging full consultation with military leaders, also froze out the Joint Chiefs when he endorsed elimination of all nuclear weapons during his October meeting with the Soviet leader, Mikhail S. Gorbachev.

Lieutenant General John H. Moellering, Admiral Crowe's assistant, was at Reykjavik to represent the Joint Chiefs but was not consulted before Mr. Reagan made his offer, sources said.

Neither Admiral Crowe nor his fellow Joint Chiefs — the heads of the army, navy, air force and Marine Corps — have publicly discussed either the Iranian arms deal or Mr. Reagan's offers at Reykjavik.

■ Denial From Assad

President Hafez al-Assad of Syria denied Sunday Western allegations that his country was involved in terrorism, The Associated Press reported from Damascus.

Mr. Assad said President Reagan and Prime Minister Margaret Thatcher of Britain were "the real terrorists who practice state terrorism against the freedom of the people."

JIHAD: *'Wider Steps' Are Urged*

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liveries were not linked to release of the hostages.

The Islamic Jihad statement said: "The American government should be well aware that we will not resolve the issue of the hostages unless our demands are met, and we will not budge from this at all."

It added that remarks by Mr. Reagan and "his ignorant administration" would only increase the group's determination to adhere to its demands to the end.

The group did not specify what the demands were. In the past, it has asked for the release of 17 activists linked to Iran who are held in Kuwait for bomb attacks on the American and French embassies there three years ago. Kuwait has ruled out such a release.

The group outlined its position in a typewritten Arabic statement delivered to an international news agency in West Beirut, the Moslem sector of the capital.

The statement was accompanied by a black-and-white photograph of one of two Americans that Islamic Jihad says it holds, Terry A. Anderson, the chief Middle East correspondent of The Associated Press. There was no mention of the second hostage, Thomas M. Sutherland, who was acting dean of agriculture at the American University of Beirut when he was abducted in June 1985. Mr. Anderson and Mr. Sutherland were abducted in West Beirut last year.

Arab diplomats said that despite the curt tone of the Islamic Jihad statement, it suggested that the group wanted to make a deal. The diplomats recalled that a similar pattern preceded Mr. Jacobsen's release.

The statement issued on Saturday included the usual attacks against American policy and referred to an American hostage who was believed to have died in captivity.

It said that the hostage, William Buckley, a former political officer at the U.S. Embassy in Beirut, had given what it described as "dangerous information" about "American tactics in hatching plots."

The statement repeated that Mr. Buckley had been "executed." The group had announced that it killed the diplomat in October 1985 in retaliation for an Israeli air attack against the headquarters of the Palestine Liberation Organization in Tunis. No body was ever recovered, but on Friday the White House chief of staff, Donald T. Regan, said the United States now believed that Mr. Buckley was dead.

Islamic Jihad said it was waiting for what it called the appropriate time to publish purported confessions by Mr. Buckley, whom it identified as "the American Central Intelligence Agency official in Lebanon."

The group said that Mr. Buckley had revealed "facts which cover volumes written with his own hand and recorded on videotape, in addition to many documents seized on him."

The information, it went on, showed that the United States "plots to dominate the region and strike at the advancing Islamic position."

Notre Dame Picks New President

New York Times Service

SOUTH BEND, Indiana — The University of Notre Dame has named the Reverend Edward A. Malloy, a specialist in ethics, as its 16th president.

Father Malloy, 45, now associate provost, is to succeed the Reverend Theodore M. Hesburgh in May. Father Hesburgh has been the university president for 35 years.

Father Malloy, who was selected Friday, obtained undergraduate and graduate degrees from Notre Dame and has a doctorate in Christian ethics from Vanderbilt University.

MANAGUA: *Hasenfus Guilty*

(Continued from Page 1)

question and then said he would appeal.

"It is very clear that the defendant was fully aware of what he was doing," the three-judge panel said. It found that the rebel groups, especially the Nicaraguan Democratic Force, which Mr. Hasenfus was apparently helping, were "supplied, directed and financed by the current government of the United States."

In their decision, the judges said it had been "fully proven" that Mr. Hasenfus was associated with the *Central Intelligence Agency*. Mr. Hasenfus had appeared to make that admission in statements soon after his capture, but at his trial he denied ties to any U.S. agency.

The prosecutor, Justice Minister Rodrigo Reyes, said during the trial that he had not been seeking to prove that Mr. Hasenfus was a CIA agent. American officials have denied that Mr. Hasenfus was working for any government agency.

The defense lawyer, Enrique Sotelo Borgen, said after the verdict was read that it "goes beyond what was alleged in court."

In their decision, the judges specifically rejected Mr. Sotelo's assertion that the People's Tribunal had been illegally constituted and had no right to try foreigners. The tribunal also said they were fully justified in banning Griffin B. Bell, a former U.S. attorney general who has been working with the defense, from actively taking part.

Mr. Hasenfus had testified that the plane in which he was shot down was carrying weapons to the rebels, who are known as "contras." He said he had made at least 10 flights into Nicaragua before the Oct. 5 crash, which killed the other three men aboard the C-123 cargo plane. Mr. Bell told reporters during the trial that these statements had been "equivalent to a guilty plea."

Defense lawyers have said they hope a pardon, commutation or other arrangement might make it possible for Mr. Hasenfus to be released soon. Indications during the trial were that an American emissary might play a role in arranging the prisoner's release.

More recently, however, officials quoted in the pro-government press have suggested that processing a pardon could take several months. The official Nicaraguan press agency said in a dispatch published Thursday that President Daniel Ortega Saavedra would have to ask approval from the National Assembly before granting a pardon.

Political commentators in Managua who have followed the trial discount the possibility that the Sandinist government might agree to free Mr. Hasenfus.

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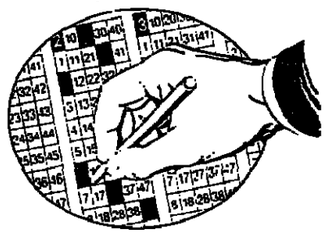

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2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42	2 12 22 32 42
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7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47	7 17 27 37 47
8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48	8 18 28 38 48
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$ 100	Australia	11¼	'98 Oct	105¼	9.88		10.49
$ 60	Australia	8¼	'91 Oct	102	8.21	7.98	8.58
$ 200	Australia	11	'95 May	114⅜	8.84		9.62
$ 300	Australia	11½	'95 Oct	117⅜	8.66		9.76
$ 100	Australia	11⅜	'98 Oct	115¾	9.01		10.06
$ 100	Australia	11¾	'00 May	119¾	9.55		10.88
$ 25	Alcan Australia	8¼	'89 Apr	100⅜	8.22		8.46
$ 60	Alcoa Of Australia	10	'89 Jun	101	9.80		9.98
$ 80	Alcoa Of Australia	11	'93 Jul	108¼	9.39		10.28
$ 75	Australian Ind Dev Co	11	'89 Feb	106⅜	7.55		10.30
$ 35	Australsuiss	8	'87 Jul	99⅞	8.38	8.50	8.85
$ 50	Broken Hill Pty	8¼	'89 Apr	100¾	8.69	7.99	8.23
$ 150	Broken Hill Pty	14⅜	'89 Nov	104⅝	12.33		14.08
$ 100	Broken Hill Pty	12	'98 Jan	105¼	9.96		11.40
$ 20	Broken Hill Pty	10	'90 May	101	9.61	9.56	9.98
$ 150	Broken Hill Pty	10	'92 Dec	104	8.60		9.42
$ 40	Comalco Invest Europe	10¾	'91 Jul	101	9.84	9.85	10.15
$ 100	Commonwealth Bk Austr	12⅜	'89 Nov	112⅝	7.38		10.96
$ 100	Commonwealth Bk Austr	10	'93 Nov	109	8.56		9.17
$ 75	Csr Limited	16	'89 Jul	117½	8.57		12.45
$ 100	Mount Isa Finance	13¾	'87 Jul	105	6.80		12.10
$ 100	Mount Isa Finance	11	'95 Dec	110	9.31		10.80
$ 50	Nylland Austr Bank	11¼	'90 Apr	108	8.60		10.43
$ 140	Qantas Airways	10¾	'95 Jul	110½	8.58		9.30
$ 77	Qantas Airways	8¾	'96 Mar	100⅝	8.49		8.56
$ 100	Queensland	11¾	'89 Dec	110¾	7.36		10.57
$ 100	Queensland	8	'91 Jun	100⅜	7.78		7.94
$ 100	Queensland	10	'95 Aug	109½	8.65		9.26
$ 50	Rural Industries Bank	12	'91 Feb	111¼	8.57		10.24
$ 100	South Austr Gener Fin	8¾	'90 Mar	102¾	8.39		8.57
$ 100	State Bk New S Wales	11	'96 Jun	110	9.84		10.34
$ 100	State Bk South Austr	10¼	'92 Feb	103⅝	7.93		9.35
$ 100	State Bk South Austr	9¼	'92 Feb	104⅝	8.31		8.84
$ 100	State Elec Com Victor	10	'92 Nov	108	8.26		9.26
$ 75	Tnt Overseas Finance	9	'87 Aug	100¼	8.55	8.54	8.98
$ 150	Treasury New S Wales	11¾	'90 May	111⅜	8.29		10.58
$ 150	Victoria Public Authy	12¾	'92 Mar	114¾	8.25		10.18
$ 100	Victoria Public Authy	8¾	'96 Oct	107½	8.61		8.50
$ 100	Westpac Intl Finance	11	'98 May	107¾	8.41		10.23
	AUSTRIA						
$ 150	Austria	15¼	'98 Mar	111	6.59		13.96
$ 50	Austria	8¾	'98 Aug	102	8.09	8.04	8.68
$ 100	Austria	13¾	'92 Jul	125½	7.83		10.86
$ 200	Austria	11¼	'95 Jan	117⅝	9.08		9.13
$ 150	Austria	9¾	'95 Mar	104	9.06		9.13
$ 100	Austrian Control Bank	10¾	'98 Jun	110⅜	7.18		9.70
$ 125	Austrian Control Bank	10	'91 Apr	102¾	7.25		9.12
$ 50	Austrian Control Bank	12	'94 Dec	120¾	8.43		11.80
$ 50	Austrian Control Bank	12	'94 Dec	120¾	8.43		9.98
$ 50	Creditanstalt-Bankver	10¾	'88 Jun	105¾	6.84		10.19
$ 100	Creditanstalt-Bankver	9	'88 Jul	101¾	6.84		10.67
$ 100	Creditanstalt-Bankver	11¼	'90 Jul	107	8.95		10.51
$ 75	Creditanstalt-Bankver	15¼	'90 Jul	107½	12.77		14.43
$ 100	Creditanstalt-Bankver	13¾	'91 May	119	10.81		12.67
$ 100	Creditanstalt-Bankver	8	'92 Aug	99⅛	8.16		8.07
$ 40	Danaukraftwerke Ag	11¼	'90 Feb	114¼	8.66		10.26
$ 50	Girar Bank Saarbrucken	15¾	'89 Sep	118⅝	7.27		12.91
$ 75	Girar Bank Saarbrucken	12¾	'91 Mar	117⅞	8.30		11.30
$ 75	Postsparkasse	12¾	'89 Apr	118¾	7.27		11.07
$ 30	Tauernautobahn Ag	8¾	'87 Mar	100	8.65	8.82	8.93
$ 50	Trans Austria Gasline	11¾	'90 Jun	114	8.18	8.29	8.58
$ 47	Vienna City	12¼	'92 Oct	119	8.18		10.29
$ 50	Zentralsparka-Kommerz	13¼	'90 Feb	126	8.09		10.44
	BELGIUM						
$ 250	Belgium	8¾	'91 Mar	103	7.44		8.25
$ 250	Belgium	7¾	'91 Mar	100¼	7.24		7.63
$ 100	Mellina Bv W/w	4	'96 Sep	98½	4.19		4.84
$ 400	Mellina Bv X/w	4	'96 Sep	68½	8.93		5.84
	CANADA						
$ 750	Canada	16¾	'87 Jun	106½	6.24		13.76
$ 500	Canada	10¾	'88 Oct	107½	6.24		10.19
$ 500	Canada	11¾	'90 Mar	112	7.21		10.27
$ 500	Canada	10	'96 Nov	110	8.38		9.59
$ 1000	Canada	9	'96 Feb	106	8.85		8.49
	50 Abitibi-Price	15¾	'91 Feb	116	11.47		13.58
$ 50	Aluminum Co Canada	9¼	'88 Apr	100½	9.03	9.08	9.65
$ 100	Aluminum Co Canada	11¼	'93 Jun	104¾	10.11		10.59
$ 60	Amca Intl	11¼	'87 May	104	6.53		13.94
$ 100	Bank Of Montreal	16¼	'91 Dec	111	13.72		14.44
$ 100	Bank Of Nova Scotia	13¾	'87 Jul	104¼	6.82		13.07
$ 200	Brit Columbia Hydro	10¾	'88 Mar	103	9.80		9.88
$ 150	Brit Columbia Hydro	13¾	'88 Jul	110¾	6.61		12.10
$ 200	Brit Columbia Hydro	14¾	'89 May	116¾	7.26		12.67
$ 150	Brit Columbia Hydro	15¾	'92 Jun	131¾	8.23		11.62
$ 200	Brit Columbia Hydro	8¾	'93 Jul	101¾	8.28		8.95
$ 175	Canadair	12¾	'89 Nov	114	7.16		10.96
$ 100	Canadian Pacific Int Bk	16	'87 Mar	103	8.69		16.53
$ 75	Canadian Imperial Bk	11	'90 May	114¾	7.70		10.25
$ 100	Canadian Imperial Bk	14¾	'91 Oct	118	11.72		14.19
$ 100	Canadian Nath Railway	14¾	'91 Dec	115¾	10.57		12.68
$ 50	Canadian Pacific	9¾	'89 May	101	9.34	9.22	9.66
$ 75	Canadian Pacific	14¾	'92 Mar	131¾	11.16		13.12
$ 100	Canadian Pacific	8¾	'93 Jun	109	8.87		9.86
$ 75	Canadian Pacific	12¼	'99 Oct	114¾	10.57		10.89
$ 50	Canadian Wheat Board	11¾	'90 Dec	105¾	9.24		10.41
$ 60	Consolidated-Bathurst	11¾	'88 Nov	114	9.31	7.27	10.26
$ 50	Dome Petroleum	13¼	'92 May	35	40.86		28.57
$ 50	Dome Petroleum	10	'94 Jul	35	36.34	40.25	28.57
$ 100	Export Develop Corp	12¾	'87 Oct	105¾	6.53		11.53
$ 100	Export Develop Corp	11¾	'87 Nov	104¾	6.52		11.22
$ 100	Export Develop Corp	10¾	'88 Jan	104¾	6.69		10.27
$ 125	Export Develop Corp	10	'88 Mar	101¼	6.58		9.59
$ 150	Export Develop Corp	11¾	'89 Feb	110¾	7.13		10.23
$ 100	Export Develop Corp	12	'89 Nov	112¾	7.13		10.65
$ 100	Export Develop Corp	10	'90 Jul	102¾	7.16		9.30
$ 100	Export Develop Corp	11¾	'90 Nov	109¾	7.62		10.07
$ 75	Farm Credit Corp	11¾	'93 Oct	118¾	8.11		9.84
$ 50	Feder Business Dev Bk	8¾	'93 Feb	103	8.11		8.50
$ 50	Genstar	16	'89 Jun	101	9.40		9.90
$ 100	Gulf Canada	14¾	'87 Dec	103	10.22		12.80
$ 75	Hiram Walker Holdings	16	'89 Mar	117	7.61		13.66
$ 50	Hudsons Bay	16	'96 Feb	101	9.90	9.69	9.90
$ 50	Imasco	15¾	'91 Jan	122¾	12.32		15.09
$ 100	Inco	9	'92 Dec	100¾	8.88		8.96
$ 50	Macmillan Bloedel	9	'92 Feb	99	9.23	9.25	9.89
$ 50	Macmillan Bloedel	9¼	'93 Mar	99	9.26	9.27	9.34
$ 75	Manitoba Province	13¾	'88 Sep	115¾	7.45		11.88
$ 100	Manitoba Province	13¾	'89 Nov	111½	7.35		10.56
$ 100	Manitoba Province	10¾	'90 Jun	101¾	7.48		9.62
$ 125	Manitoba Province	8¾	'91 Feb	99¾	7.56		8.40
$ 150	Manitoba Province	13¾	'94 Oct	122	8.66		10.25
$ 150	Manitoba Province	7½	'96 May	92¾	8.66		8.18
$ 75	Massey-Ferguson Ind	9¾	'92 Mar	95	10.25		10.95
$ 57	Montreal City	10¼	'87 Jul	100¾	6.90		10.17
$ 70	Montreal City	12½	'91 Mar	119¾	8.95		11.14
$ 100	Montreal City	13¾	'92 Mar	117	11.26		13.46
$ 100	Montreal Urban Commun	12	'87 Oct	110¼	8.62		10.66
$ 60	New Brunswick Electri	17	'88 Oct	116¾	7.16		14.56
$ 75	New Brunswick Electri	16¼	'89 Mar	117¾	7.73		13.86
$ 75	New Brunswick Provinc	12¼	'87 Jun	106½	6.45		12.10
$ 75	Newfoundland Lab Hydr	17¼	'89 Nov	113	12.25		15.48
$ 50	Newfoundland Province	9	'89 Feb	100¾	8.58		8.98
$ 60	Newfoundland Province	17¼	'89 Oct	113	12.84		15.40
$ 60	Newfoundland Province	12¼	'90 Feb	107½	9.58	11.51	11.84
$ 60	Newfoundland Province	9¼	'90 Jun	101½	8.71		9.11
$ 75	Newfoundland Province	15½	'90 Aug	123	8.13		12.68
$ 75	Newfoundland Province	12	'91 Apr	112¾	8.60		11.28
$ 50	Newfoundland Province	10	'91 Nov	104¾	8.68		9.48
$ 100	Nova An Alberta Corp	16¼	'88 Jan	103½	14.17		15.70
$ 75	Nova Scotia Province	15¾	'88 Mar	118	7.88		13.36
$ 100	Nova Scotia Province	15¾	'89 Aug	117	8.08		13.83
$ 75	Nova Scotia Province	11¾	'90 Jul	108½	7.77		11.01
$ 75	Nova Scotia Province	15	'91 Jun	126	13.12		14.15
$ 100	Nova Scotia Province	11¾	'98 Feb	106½	10.71		11.03
$ 125	Olympia & York Credit	10¾	'90 Jun	102¾	8.29		9.39
$ 200	Olympia & York Malden	10¾	'95 Dec	107¾	9.14		9.86
$ 125	Ontario Hydro	8	'87 Apr	100¾	6.41		7.96
$ 125	Ontario Hydro	14¾	'89 Apr	116¾	7.16		12.46
$ 200	Ontario Hydro	11¾	'89 Nov	111¾	7.16		10.72
$ 250	Ontario Hydro	10¾	'90 May	104¾	7.16		9.28
$ 250	Ontario Hydro	11¾	'90 Sep	114½	7.21		10.36
$ 150	Ontario Hydro	12½	'91 Feb	118¾	7.65		11.19
$ 150	Ontario Hydro Aug	16	'91 Aug	117¾	10.92		13.79
$ 200	Ontario Hydro Nov	16	'91 Nov	116	11.61		13.79
$ 250	Ontario Hydro	15	'92 Aug	126¾	9.84		11.46
$ 200	Ontario Hydro	12¾	'92 Oct	121¾	7.99		10.47
$ 250	Ontario Hydro	11¾	'94 Feb	119¾	8.88		9.75
$ 50	Ottawa-Carleton	9½	'90 Mar	101	9.11	8.91	9.61
$ 250	Ottawa-Carleton	14¾	'97 Jun	128	11.36	9.84	12.29
$ 200	Petro-Canada	7¼	'96 May	92	8.04		8.65
$ 150	Quebec Hydro	14¾	'88 Feb	109¾	8.12		14.87
$ 200	Quebec Hydro	11¾	'91 Oct	134½	9.46		12.88
$ 150	Quebec Hydro	11½	'92 Oct	131	9.85		12.06
$ 100	Quebec Hydro-Electric	13	'88 Feb	102¾	12.17		12.68
$ 125	Quebec Hydro-Electric	8	'92 Aug	101½	8.64		8.87
$ 100	Quebec Hydro-Electric	10	'93 May	107½	9.49		9.66
$ 30	Quebec Province	7¼	'88 Dec	100¾	7.24	7.02	7.48
$ 150	Quebec Province	13¼	'89 Dec	114½	9.59		13.22
$ 150	Quebec Province	12	'90 Nov	112½	8.82		11.46
$ 150	Quebec Province	12¼	'92 Jul	126½	9.21		11.66
$ 150	Quebec Province	12¼	'94 Feb	131	9.24	9.47	10.54
$ 50	Quebec Province	9	'95 Nov	101	8.83	8.83	8.91
$ 150	Royal Bank Of Canada	11½	'89 Feb	108¾	7.35		10.66
$ 150	Royal Bank Of Canada	11¾	'90 Jun	108¾	8.45		10.53
$ 150	Royal Bank Of Canada	8¾	'93 Jul	101¾	8.21		8.51
$ 150	Saskatchewan Province	16¾	'88 Nov	110	10.67		14.77
$ 150	Saskatchewan Province	11¾	'89 Mar	110¾	7.40		10.65
$ 125	Saskatchewan Province	11¾	'89 Nov	111¾	7.40		10.65
$ 125	Saskatchewan Province	10¾	'90 Nov	109¾	7.49		9.84
$ 150	Saskatchewan Province	8¾	'91 May	102¾	7.98		8.59
$ 125	Saskatchewan Prov	7½	'91 Jul	99¾	7.48		7.60
$ 150	Saskatchewan Province	8¾	'92 Mar	109¾	8.09		8.84
$ 150	Saskatchewan Province	15	'92 Aug	139¾	8.98		11.55
$ 150	Shell Canada	15¾	'87 Sep	116½	11.13		13.52
$ 125	Shell Canada	12¾	'92 May	114¾	9.45		11.52
$ 75	Simpsons-Sears Accept	17½	'88 Nov	117	7.84		14.56
$ 100	Suncor Inc	12¾	'91 Nov	118	9.99		11.48
$ 100	Toronto-Dominion Bank	12½	'88 Apr	110	7.93		11.48
$ 50	Toronto-Dominion Bank	12¾	'89 Apr	118	7.93		11.48
$ 150	Transcanada Pipelines	16	'88 Dec	101½	15.52		15.72
$ 150	Transcanada Pipelines	16	'89 Jul	101¾	15.78		15.96
$ 45	Winnipeg City	9¼	'87 May	108½	7.87		8.51
	DENMARK						
$ 100	Denmark X/w	13⅜	'88 Aug	111¼	6.88		12.49
$ 150	Denmark	11¼	'89 May	108¾	7.34		10.34
$ 500	Denmark	7	'89 Sep	97½	7.24		7.88
$ 200	Denmark	7½	'90 Jan	100	7.49	7.48	7.88
$ 150	Denmark	10¾	'90 Mar	104½	9.23		10.41
$ 200	Denmark	11¾	'90 Jun	110	7.68		10.66
$ 200	Denmark	11¾	'90 Nov	111½	7.68		10.66
$ 200	Denmark	12	'91 May	115¾	7.61		10.38
$ 200	Denmark	12	'91 May	115¾	7.71		10.88
$ 200	Denmark	8¼	'91 Jul	101¾	7.45		8.01
$ 200	Denmark	14	'91 Jul	114¾	10.67		12.54
$ 200	Denmark	13¼	'91 Sep	121¼	7.82		10.93
$ 200	Denmark	12¾	'92 Feb	121¾	7.74		10.11
$ 150	Denmark	11½	'92 Apr	114¾	8.08		10.02
$ 150	Denmark	12¼	'93 Dec	119¾	8.52		10.16
$ 50	Mortgage Bank Denmark	7½	'91 Jan	100	7.49	7.47	7.58
$ 50	Mortgage Bank Denmark	17	'93 Jan	121	8.49		10.74
	FINLAND						
$ 75	Finland	15¼	'87 Apr	103	6.79		14.81
$ 150	Finland	11½	'88 Jan	105¾	6.61		10.91
$ 150	Finland	8¼	'91 Feb	104	7.35		8.17
$ 150	Finland	8¾	'91 Sep	103	7.48		8.37
$ 150	Finland	9¾	'92 Oct	101	9.51	8.27	8.66
$ 200	Finland	7½	'93 Sep	98	7.58		7.85
$ 75	Finnish Export Credit	12¾	'86 Nov	102¾	6.30		9.92
$ 100	Finnish Export Cr X/w	12¾	'89 Nov	105¾	10.62		12.11
$ 20	Ind Mtge Bank Finland	8	'87 Dec	100¼	7.73	7.54	7.98
$ 85	Kemira Holdings	9¼	'91 Mar	104½	7.96		8.85
	FRANCE						
$ 20	Banque Franc Com Ext	9	'89 Mar	103	7.62	6.52	8.74
$ 100	Banque Franc Com Ext	7¾	'96 Sep	98½	8.16		7.99
$ 100	Banque Indosuez	15	'89 May	116	7.48		12.93
$ 60	Banque Indosuez	15¼	'89 Aug	118	7.79		12.92
$ 100	Banque Indosuez	11¾	'92 Sep	114¾	8.66		10.19
$ 100	Banque National Paris	9¾	'88 Dec	104	6.48		9.65
$ 125	Banque National Paris	8¾	'93 Apr	103	8.11		8.59
$ 100	Caisse Centr Coop Eco	15¾	'92 Jun	135½	7.81		11.72
$ 75	Caisse Centr Coop Eco	12¾	'95 Sep	116¾	9.88	9.21	10.57
$ 100	Caisse Franc Nationa	13,35	'96 May	115½	11.40		11.71
$ 85	Caisse Nat Autoroutes	12¾	'95 May	115¾	11.41		12.04
$ 75	Caisse Nat Autoroutes	15¼	'96 Jun	116¾	12.89		13.29
$ 75	Caisse Nat Autoroutes	15¾	'97 Mar	117¾	12.66	11.50	13.48
$ 125	Caisse Nat Cred Agric	11¾	'90 Jan	109¾	7.57		10.17
$ 100	Caisse Nat Cred Agric	10	'90 Oct	101	7.57		9.17
$ 100	Caisse Nat Cred Agric	13¼	'91 May	121	7.59		10.95
$ 125	Caisse Nat Cred Agric	11½	'92 Apr	116	7.73		9.97
$ 125	Caisse Nat Cred Agric	7¼	'96 May	96	8.11		7.81
$ 125	Caisse Nat Enerale	11¾	'95 Feb	122	7.99		9.83
$ 100	Caisse Nat Telecomm	13¾	'91 Jun	132¾	9.53		11.14
$ 150	Caisse Nat Telecomm	7	'91 Dec	99½	7.36		7.11
$ 75	Caisse Nat Telecomm	9	'92 Nov	102¾	8.67		8.78
$ 100	Cie Fin De Paribas	13¾	'89 Sep	107½	10.64		12.91
$ 100	Credit Commerc France	7¾	'90 May	101⅜	7.35		7.66
$ 100	Credit Eastern Petit Nt	7¾	'91 Aug	101	7.11		7.38
$ 100	Credit Eastern Petit Nt	7¾	'96 May	93¾	8.03		7.98
$ 200	Credit Foncier Fr X/w	10¾	'91 May	112¾	7.43		9.65
$ 200	Credit Foncier France	12¾	'92 Jul	130¾	7.84		10.35
$ 200	Credit Lyonnais	9	'91 Feb	105	7.57		8.57
$ 150	Credit National	7¾	'91 Jun	99¾	7.59		7.99
$ 150	Credit National	9¼	'93 Feb	104¾	8.71		8.88
$ 125	Electricite France	10	'88 Jul	101¼	9.08		9.88
$ 100	Electricite France X/w	14¾	'89 Aug	117	8.52		12.39
$ 100	Electricite France	11¾	'90 May	117	7.67		9.61
$ 150	Electricite France	7¾	'93 Dec	99¼	7.81		7.85
$ 250	Electricite France	9¾	'95 Mar	106	8.69		9.29
$ 225	Electricite France	10	'96 Jul	108¾	8.58		9.18
$ 100	Electricite France	10¾	'96 Dec	108¾	8.92		9.54
$ 150	Elf Aquitaine	13	'90 Nov	117	9.34		10.73
$ 200	Elf Aquitaine W/w	3	'93 Oct	105	2.22		2.86
$ 175	Gaz De France	12¾	'93 May	117	8.68	8.58	10.47
$ 50	Michelin	9	'91 Nov	101	8.74	8.58	8.91
$ 40	Pari Asstnar Ities	13	'91 Feb	104½	11.56	10.97	12.44
$ 75	Snct Nat Chemins Fer	13¼	'93 Mar	117¼	7.92		9.81
$ 100	Snct Nat Chemins Fer	7¾	'96 Jan	97	8.20		7.99
	GERMANY						
$ 150	Bast Finance Europe	9¾	'89 Feb	103	8.22		9.59
$ 200	Bast Finance Europe	7	'91 Apr	100¼	3.93		2.28
$ 100	Bast Finance X/w	11	'88 Mar	104¾	7.29		10.55
$ 165	Bast Overseas	10½	'87 Jun	102¾	6.38		10.07
$ 150	Bayer Intl Financ X/w	7¼	'89 Feb	100	7.25		7.25
$ 200	Bayer Intl Financ X/w	7¼	'89 Oct	114	7.26		11.62
$ 75	Bayerische Vereinsbk	13¾	'91 May	135¾	9.30		10.82
$ 50	Bmw O/s Enterprises	10¾	'91 May	110¾	7.28		9.40
$ 100	Commerzbank Finance	13¼	'89 Oct	106	10.63		12.38
$ 100	Commerzbank Finance	11½	'90 Jan	107½	7.98		10.59
$ 100	Commerzbank Finance	11	'91 Mar	110¾	8.03		9.95
$ 100	Commerzbank Intl X/w	7	'98 Jun	99¾	7.13		7.05
$ 50	Degussa Intl Fin X/w	8¼	'92 May	102	7.83		8.09
$ 100	Deutsche Bank Finance	11¾	'87 Oct	104¾	6.38		11.18
$ 200	Deutsche Bank Finance	14¾	'89 Aug	116¾	7.31		12.21
$ 200	Deutsche Bank Finance	13¾	'89 Sep	108¾	10.60		12.24
$ 150	Deutsche Bank Finance	9¾	'96 Mar	102	8.91		9.07
$ 110	Deutsche Bank Finance	8	'98 Jul	96½	8.42		8.29
$ 100	Deutsche Bank Lux X/w	6¾	'91 May	94½	7.72		6.61
$ 150	Deutsche Siedlungs Bk	7¼	'96 Apr	93	8.48		8.06
$ 100	Dresdner Finance	11	'90 Mar	110	7.58		10.03
$ 100	Dresdner Finance	10½	'92 Oct	108	8.71		9.72
$ 100	Hessische Landesbank	8	'96 Sep	99	8.15		8.08
$ 125	Hoechst Finance X/w	6¾	'89 Jul	97¾	7.83		6.92
$ 250	Salomon Europe X/w	7¾	'90 Mar	102¾	8.26		7.64
$ 150	Volkswagen Intl W/w	3	'91 Jan	100¾	2.65		2.65
$ 150	Volkswagen Overseas	7¾	'87 May	100¾	6.59		7.71
$ 100	Westlb Finance	11¾	'98 Dec	114	7.24		10.42
	ICELAND						
$ 20	Iceland	9	'87 Feb	100½	6.73	6.77	8.96
$ 50	Iceland	12¾	'92 Dec	110	10.64	9.38	11.59
	IRELAND						
$ 150	Ireland	9¾	'96 Mar	103¼	8.83		9.08
	ITALY						
$ 50	Consorzio Di Credito	7½	'98 Jan	99¾	7.58	7.62	7.92
$ 50	Eni Ente Naz Idrocar	7	'88 Jan	99½	7.43	7.68	7.84
	JAPAN						
$ 100	Bank Of Tokyo Curacao	13¾	'89 Sep	116¾	7.35		11.94
$ 125	Bank Of Tokyo Curacao	11	'90 Mar	110¾	7.28		9.97
$ 100	Bank Of Tokyo Curacao	11¾	'90 Dec	115¾	7.44		10.38
$ 100	Bank Of Tokyo Curacao	10¾	'91 Jun	103	7.53		11.08
$ 120	Bank Of Tokyo Ltd	8	'93 Dec	99½	8.09		8.04
$ 50	Chuaeiry Electr Power	10	'89 Feb	103	7.04		11.84
$ 100	Dai-Ichi Kangyo Bank	12¼	'90 Oct	113¾	7.57		10.65
$ 150	Dai-Ichi Kangyo Finan	10¾	'90 Jul	108¾	7.65		9.57
$ 75	Export-Import Bank	13¼	'91 Jan	119	8.11		11.13
$ 100	Export-Import Bank	10¾	'95 Jun	109¾	8.88		9.57
$ 100	Fuji Bank & Trust	7¾	'91 Nov	99¾	7.78		7.67
$ 100	Fuji Intl Finance Hk	7¾	'98 Jan	99¾	7.46		7.67
$ 100	Hitachi Zosen	11½	'90 May	103	10.71	10.43	11.27
$ 100	Hokuriku Electr Power	7½	'98 Apr	93	8.06		8.26
$ 100	Indust Bank Japan Fin	10¾	'88 Apr	112	2.25		9.71
$ 125	Indust Bank Japan Fin	11¾	'89 Mar	107½	7.77		10.79
$ 100	Indust Bank Japan Fin	12¾	'89 Oct	115¾	7.27		11.21
$ 100	Indust Bank Japan Fin	11¾	'89 Nov	107½	7.32		10.51
$ 100	Industrial Bank Japan	12¾	'88 Feb	102	10.59		10.66
$ 125	Industrial Bank Japan	13¾	'91 Jul	120	8.45		11.66
$ 100	Industrial Bank Japan	9¾	'92 Mar	102	8.91		9.66
$ 150	Industrial Bank Japan	8	'93 Jul	100	7.99		8.00
$ 100	Industrial Bank Japan	10¾	'93 Jun	112	8.95		9.71
$ 100	Industrial Bank Japan	11¾	'93 Feb	119	9.08		10.56
$ 50	Itoh C Co Ltd X/w	7½	'89 May	98½	8.15		7.61
$ 75	Japan Airlines	12	'92 Jun	108½	8.20	8.19	10.14
$ 75	Jap

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EUROBONDS

Massive Borrowing Gives Denmark a Fickle Image

By CARL GEWIRTZ
International Herald Tribune

PARIS — Denmark will probably become a case study in how not to approach the international capital market. It has borrowed too often too much: 29 forays so far this year, on average once a week from July through September, raising $3.2 billion and the equivalent of another $1.6 billion in yen, Deutsche marks, kroner, French francs, guilders, European currency units and Australian and New Zealand dollars.

Its method, like that of most other borrowers these days, is to request competing bids and then accept the least costly terms offered. But because of the huge volume of transactions, Denmark has achieved a reputation of doing business with any bank and having loyalty to none.

Last week, for the fourth time this year, it hit the market almost simultaneously in two different currencies: $1 billion of two-year notes and 1 billion French francs in five-year notes. A deteriorating current-account deficit, expected to total just over $4 billion this year, and continuing pressure on the currency as the weakest unit in the European Monetary System force the government to seek external financing.

> **One syndicate manager referred to Denmark as a "prolific, unfaithful, cynical" borrower.**

The dollar offering was notable for the size — only one previous issue by Canada has been so big — and the maturity, the first ever with an original life of only two years.

The terms were considered aggressive, but within reason: a coupon of 7 percent priced at a premium of $10,150 for paper that will be redeemed at face value of $10,000. This was calculated to give purchasers a return of 6.8 percent, or 35 basis points more than comparably dated U.S. Treasury notes.

Nevertheless, many banks refused the invitation from the lead manager, Shearson Lehman Brothers, to co-manage the issue.

Even though the short maturity meant that there was relatively little danger of underwriters losing money, said one syndicate manager who turned down the offer, "we were not prepared to risk even a penny" for such a "prolific, unfaithful, cynical" borrower.

The main concern about placing the paper was whether banks, which are the biggest buyers of Eurobonds these days, had any room within their self-imposed limits to increase their Danish exposure.

IT WAS MUCH the same story for the French franc issue, which was priced at 99¾ with a coupon of 8¼ percent. "It's the wrong name, the wrong size and the wrong time," said one banker. He was referring to the renewed weakness of the franc within the EMS, which has caused foreign investors to shun the franc.

The price on the dollar issue was quoted at a discount of 1⅜ points, a loss for underwriters who were paid fees of 1.14 percent. The franc issue, at a discount of 2⅝ points, traded well outside the 1⅞-percent underwriting fees.

As for the idea of introducing jumbo, short-dated paper, bankers agreed that the market was ripe for that. The size means that there would be an active secondary market, and the maturity conforms with the current preference of investors to keep new commitments short.

However, some voiced doubts about whether the Eurobond market was about to compete with the emerging medium-term note market in this maturity spectrum. Bankers questioned whether there were many borrowers interested in raising such large amounts for so short a time. The note market currently is made up of smaller-sized private placements, with banks acting as dealers placing paper rather than as underwriters.

Overall, the dollar sector of the Eurobond market was buoyed by the latest U.S. economic statistics indicating no immediate pick-up in the pace of business. The news allayed fears that the Federal Reserve might be tempted to push up interest rates.

There was no improvement in the floating-rate-note market for issues bearing interest below the London interbank offered rate. The new issues all pegged their coupons to a Libor-plus formula, and the margin over the base rate is becoming more generous as borrowers try to woo back investors.

Among the new issues, Georgia Federal Savings & Loan was well received with interest set at 3/16 point over Libor. A few months ago, such paper was marketed to yield three basis points over Libor.

Oxford Acceptance, a U.S. property developer, issued $45

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BofA Pins Hopes on Program

Restructuring May Boost Stock

By Andrew Pollack
New York Times Service

SAN FRANCISCO — BankAmerica Corp. says it hopes to increase the book value of its stock by more than $3, to more than $24 a share, through a corporate restructuring program.

The program involves selling businesses that are not essential and reducing its work force. The troubled banking concern said the moves should improve its capital levels, raising them to above the average for the largest banks in the United States.

The plan, officially announced Friday, added few details to pieces of the program that had been previously announced or disclosed.

Rather, analysts said, the statement issued Friday seemed more like BankAmerica's warning to First Interstate Bancorp, which offered to buy it for $3.4 billion, that it wants to remain independent and has a plan to improve on its own.

First Interstate's directors are scheduled to meet on Monday to decide what to do in response to a request from BankAmerica's board that it withdraw its bid.

By taking action that might raise its book value to more than $24 from $21, BankAmerica could be preparing to reject First Interstate's offer if it is forced to accept or reject it. First Interstate has argued that its bid, for securities worth $22 a share, is fair, in part because the price exceeds BankAmerica's book value. A gain of $3 a share in book value amounts to a net profit of $450 million.

A BankAmerica official, who asked to remain unidentified, said the company's goals would be achieved by around the middle of next year. He said the bank had identified $10 billion in assets, both businesses and loans, that would be sold off by then. That is higher than the $7 billion to $8 billion in assets that Thomas A. Cooper, BankAmerica's president, had said last Monday would be sold in the next two quarters.

Jack Manning/The New York Times

Mohan Murjani, chairman of Murjani International, 'likes to go for the jugular.'

Murjani Spurns the Waiting Game

With Ads, Apparel Maker Seeks Overnight Sensations

By Lisa Belkin
New York Times Service

NEW YORK — Fashion doesn't move fast enough for Mohan Murjani.

"Why should it take years for a designer to become a sensation?" he asks. "Why should a line grow slowly, when it can be big from the start?"

Mr. Murjani refuses to play that waiting game. It was Murjani International, his company, that made Gloria Vanderbilt jeans an overnight sensation and that has evolved into a $400 million-a-year retail business. It also is Murjani that has catapulted Tommy Hilfiger, the young designer, from obscurity to virtual notoriety.

And now there is Coca-Cola clothing. "Most of the people in the industry thought it was an absolutely lunatic idea, selling clothes with a soda logo," said George Lois, president of Lois Pitts Gershon Pons, Murjani's advertising firm. "But Mohan understood the idea in a second. He knew it was just a matter of promoting it right."

Murjani International says it anticipates $250 million in sales of Coca-Cola clothes by the end of this year. The company, which is family-owned, declines to release its sales or earnings.

Mr. Murjani contends that the lines have fared well primarily because he has not run the company like an apparel business.

The company far outstrips the industry average in the emphasis and the money it devotes to market research and advertising. "Research is very important to us," he said in a recent interview in his office in the New York garment center.

"In the packaged goods industry," he said, "they have learned the value of market research, but in apparel it is rarely done."

He also noted that few manufacturers advertise, preferring to leave that to retailers. In contrast, Murjani International advertises with gusto, often using themes that brought fame or success to competitors.

"We're kind of made for each other, Murjani and me," Mr. Lois said. "He likes to go for the jugular and so do I."

Unsurprisingly, Murjani has its share of critics. Kurt Barnard, publisher of the Retail Marketing Report, an industry newsletter, calls its products "fads" and "public relations phenomena.

"As with all fads," Mr. Barnard said, "they are doomed the moment they succeed." Still, he conceded, "until they do, there is a lot of money to be made."

Rival manufacturers, meanwhile, contend that the originality of Murjani's advertising contrasts with the copycat nature of his product line.

Mr. Murjani was born in 1946 in a part of India that is now Pakistan. He was raised in Hong Kong, where his father ran a successful apparel factory, and attended school in England.

He said he decided "out of nowhere" to major in business and enrolled in Babson College, a business school near Boston.

When Mr. Murjani graduated in 1967, his father threw a party in Hong Kong and announced that he was immediately handing over the reins of the company to his oldest son, Mohan.

Murjani initially produced only private-label clothing for stores such as K mart and lines such as Levi and Wrangler.

As the new chairman and president, Mr. Mur-

See MURJANI, Page 15

Analysts Praise OPEC Panel Call For $18 Barrel

By Stuart Diamond
New York Times Service

QUITO, Ecuador — A move by key oil exporting nations to raise petroleum prices by $3 a barrel was lauded by industry analysts over the weekend as an attempt to stabilize the market.

Three oil ministers meeting in Quito on Friday drew up the proposal, which they said reflected the general consensus of the Organization of Petroleum Exporting Countries. The three, from a special OPEC price committee set up last month, were Sheikh Ali Khalifa al-Sabah of Kuwait, and ministers from Libya and Ecuador.

But analysts said their proposal was unlikely to succeed without sharp cuts in production.

Half a dozen oil experts in the United States said Saturday that the panel's recommendations would probably raise prices a very small amount this week.

But they said that even if, as expected, it is approved by the full OPEC group in December, the measure would not solve the fundamental problem of a world oil glut.

"It is a good plan, and if they pull it off it would have a tremendous stabilizing effect on the market," said John H. Lichtblau, president of the Petroleum Industry Research Foundation in New York. "But there will be great resistance by oil buyers."

The three OPEC ministers in Quito urged the group to return to a fixed price system. They proposed an $18 "take it or leave it" price.

If buyers refused to take OPEC oil at $18, they could make up the difference for a while by drawing down inventories outside OPEC and through increased production by non-OPEC suppliers.

But eventually the world would have to pay OPEC's price, the analysts said. They stressed, however, that it was unlikely that OPEC could withstand the loss in revenues for the weeks or months it might take for the glut to disappear.

"We are talking about a game of chicken," said William Quandt, Middle East oil expert at the Brookings Institution in Washington. "It would be interesting to see who cracks first — OPEC or the consumers of its oil." He said a *discipline unprecedented* in OPEC's history would be required for members to resist selling below $18 per barrel.

William L. Randol, an oil analyst at First Boston Corp., said there was "no question" that OPEC could force prices up to $18 a barrel if members did not cheat. He said the 13-nation group had become much more disciplined after watching its price war cut prices from $28 a barrel last December to $7 in August before recovering to $15.

All those interviewed thought $18 a barrel was a fair price for oil for the next several years. It is well below the $34 a barrel charged in 1981 and the $28 of last year.

Bank of England Plans to Form New Division

Reuters

LONDON — The Bank of England has announced a management reorganization to allow for its formal assumption of supervision over the interbank, foreign-exchange and wholesale money markets under recently passed legislation.

It said a new division would be established to supervise these markets under Eddie George, executive director in charge of government stocks, money markets and monetary affairs. He will also be responsible for daily operations in foreign-exchange markets.

The new division will be headed by John Townend, a manager in the money-markets division.

The bank said a single executive director would thus be in charge of foreign-currency borrowing and management of the reserves.

Indonesia Arranges Loan of $400 Million

By Carl Gewirtz
International Herald Tribune

PARIS — Indonesia, hard pressed by the price decline in oil and gas, which account for about 70 percent of its export earnings, will return to the syndicated-loan market this week, paying more than it has in the recent past to borrow from banks.

In addition, lenders are also insisting that if they allocate funds to the country they want the credit to be drawn rather than used as a

INTERNATIONAL CREDIT

back-up *commitment to support* the sale of short-term notes, as was done a year ago.

It has been able to issue a small amount of notes, estimated at a little more than $50 million, bearing interest just below the London interbank offered rate. Japanese banks are reportedly the largest takers of this paper. Indonesia is paying an annual fee of 12½ basis points, or ⅛ percent, for this $400-million facility.

On the new loan, $350 million for eight years, Indonesia will be paying at least a ¼-percent commitment fee until it is drawn. It will have up to three years to actually use the loan. Once drawn, interest will be set at ⅝ point over Libor for the first six years and ¾ point over Libor for the final two years.

With official reserves totaling about $5.8 billion and unused credit facilities totaling about $2 billion, the country will be under no immediate pressure to draw on the new credit. Eight banks are slated to organize the loan — Chase Manhattan, Chemical Bank, Manufacturers Hanover Trust, Gulf International Bank, Industrial Bank of Japan, Dai-Ichi Kangyo, Mitsui and Bank of Tokyo.

The biggest ever airline financing was completed last week — $2.3 billion for British Airways to purchase 16 Boeing jumbo jets with Rolls-Royce engines. Rolls itself had arranged a loan to support its bid to win the engine contract, but that was allowed to expire when BA began its own secrecy-shrouded discussions to raise the money. Lenders were sworn to keep the details secret and neither National Westminster, the agent bank, nor BA would go beyond the brief statement made late last week that syndication had been completed and oversubscribed by about 50 percent.

Japanese banks are reported to be supplying half the total financing, which is expected to include options for BA to issue short-term notes, seek direct bank loans or arrange leasing agreements.

May Department Stores Co., which last July arranged a $1.5-billion credit facility in conjunction with its takeover of Associated Dry Goods Corp., has restructured the agreement after its decision to fund the purchase through the sale of equity.

The facility, being arranged by Citicorp, is divided between a $250-million U.S. domestic working capital program and a $500-million Euro-revolving credit facility.

The five-year Euro-facility will have a commitment fee of 7½ basis points. Drawings will cost the company 20 basis points over Libor. If more than one-third of the total is drawn, May will pay an additional 5 basis points and if more than two-thirds is used, the utilization fee rises to 7½ basis points.

The original facility had a commitment fee of ¼ percent and drawing fees were a split ⅜-½ point over Libor.

Michigan National Corp., a Midwest bank holding company, is seeking a $100-million, five-year multiple option facility under the aegis of Credit Suisse First Boston.

MNC can use this as a backup for the sale of Euro-CP or notes or as a revolving credit. It will pay an annual fee of 15 basis points and drawings on the credit will cost 20 basis points over Libor plus a utilization fee or 5 basis points if more than half the credit line is used.

Credit Suisse Fist Boston is also arranging a $100-million transferable loan facility for Crediop, an Italian medium-term credit agency. Half the amount is to run for seven years and half for nine years. Interest on both is 6¼ basis points over Libor — a charge that many critics say is too low. Crediop will pay a commitment fee of 6¼ basis points on any undrawn amounts and one-time participation fees of up to 10 basis points to banks underwriting $15 million.

The five-year facility CSFB organized to back the sale of commercial paper for First Boston, part owner of CSFB, has been increased to $350 million from the $200 million initially sought. The commitment fee ranges from 25 to 30 basis points, depending on how much is used, and drawing charges range from 25 to 35 basis points over Libor.

Australia and New Zealand Banking Group has appointed ANZ Merchant Bank, CSFB, Swiss Bank Corp. and S.G. Warburg to market up to $500 million of Euro-commercial paper. Starting next month, ANZ plans to begin issuing paper with maturities between seven and 364 days in minimum denominations of $100,000.

MCA, the U.S. entertainment and leisure industries company, appointed Salomon Brothers and County NatWest Capital Markets Ltd. to market its commercial paper. No amount was specified.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	Nov. 14	Nov. 7	Ch'ge
DJ Indus.	1,873.59	1,886.53	—0.69 %
DJ Util.	210.16	209.81	+0.17 %
DJ Trans.	838.25	845.00	—0.81 %
S & P 100	229.83	231.53	—0.74 %
S & P 500	244.50	245.77	—0.52 %
S & P Ind	272.36	273.30	—0.35 %
NYSE Cp	140.72	141.50	—0.55 %
Britain			
FTSE 100	1,644.30	1,662.60	—1.12 %
FT 30	1,293.20	1,317.20	—1.86 %
Japan			
Nikkei 225	17,438.47	16,973.64	+2.74 %
West Germany			
Commerzbk	1,979.20	1,995.70	—0.83 %
Hong Kong			
Hang Seng	2,244.03	2,218.38	+1.16 %
World			
MSCIP	341.00	338.60	+0.71 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	Nov. 14	Nov. 7
Discount rate	5½	5½
Federal funds rate	5⅝	5⅝
Prime rate	7½	7½
Japan		
Discount	3	3
Call money	3 15/16	3 15/16
3-month interbank	4¼	4¼
West Germany		
Lombard	5½	5½
Call money	4.45	4.50
3-month interbank	4.75	4.65
Britain		
Bank base rate	11	11
Call money	9½	11
3-month interbank	10 45/64	10 11/16

Dollar	Nov. 14	Nov. 7	Ch'ge
Bk Engl Index	110.70	112.50	—1.63 %
Gold			
London p.m. fix $	408.25	408.20	+0.01 %

Currency Rates

Cross Rates *Nov. 14*

	$	£	D.M.	F.F.	It.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.275	3.245	112.995 *	34.50 *	0.1633 *	—	5.404 *	136.15 *	140.87 y
Brussels(a)	41.855	59.7725	20.77	6.348	2.0028 *	18.4023	—	25.04	25.92 *
Frankfurt	2.0118	2.869	—	30.535 *	1.4445 x	88.50 *	4.89 *	120.55 *	1.2468 *
London (b)	1.4295	—	2.8653	9.3835	1,984.00	3.228	59.60	2.3766	230.895
Milan	1,393.70	1,991.00	692.41	211.45	—	612.87	32.302	834.40	8.635
New York(c)	—	0.6998 =	2.0015	6.5585	1,386.50	2.262	41.62	1.662	161.40
Paris	6.598	9.412	3.2758	—	4.7315 x	2.8987	15.752 *	3.948	4.085 *
Tokyo	161.30	230.34	80.07	24.49	11.59 *	70.87	385.15 *	96.38	—
Zurich	1.6688	2.3845	82.955 *	25.32 *	0.1198 *	73.455 *	3.9082 *	—	1.0301 *
1 ECU	1.0341	0.7249	2.0838	6.8258	1,443.76	2.3547	43.3217	1.7279	167.258
1 SDR	1.2032	0.843	2.4206	7.9388	1,681.28	2.7323	50.3684	2.0082	193.957

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (=) To buy one pound: $U.S.1.429

Other Dollar Values

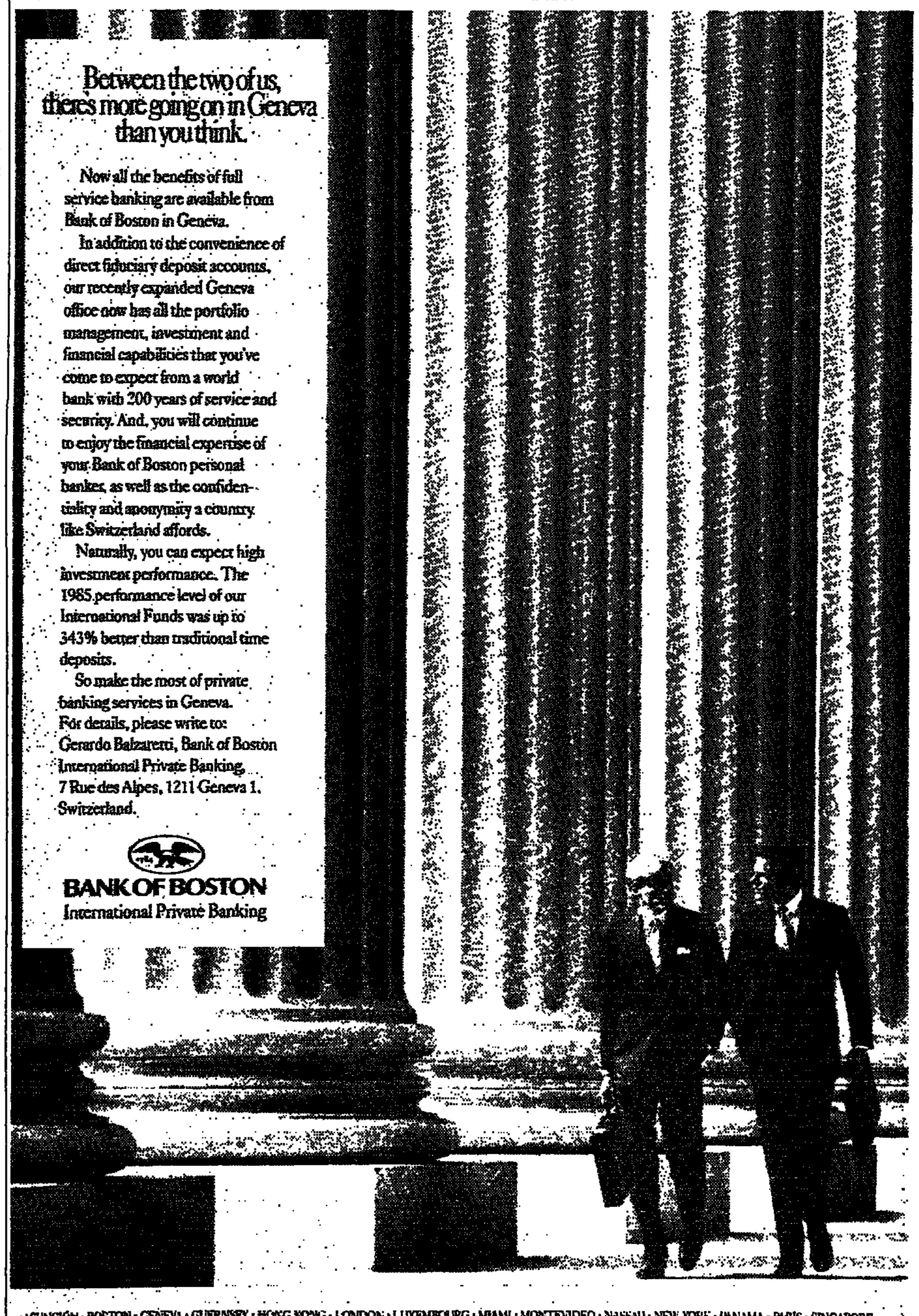
Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	1.151	Fin. markka	4.933	Mex. peso	841.00	Soviet ruble	0.6859
Austral. $	1.5564	Greek drac.	137.90	Norw. krone	7.475	Span. peseta	135.20
Austr. schil.	14.20	Hong Kong $	7.799	Phil. peso	20.00	Swed. krona	6.925
Belg. fin. fr.	42.20	Indian rupee	13.16	Port. escudo	148.00	Taiwan $	36.39
Brazil cruz.	13.77	Indo. rupiah	1,633.00	Saudi riyal	3.7505	Thai baht	26.195
Canadian $	1.384	Irish £	0.7394	Sing. $	2.1915	Turkish lira	743.50
Chinese yuan	3.7221	Israeli shek.	1.4915	S. Afr. rand	2.2371	UAE dirham	3.673
Danish krone	7.591	Kuwaiti dinar	0.2936	S. Kor. won	871.60	Venez. boliv.	25.57
Egypt. pound	1.4285	Malay. ring.	2.6165				

£ Sterling: 1.0515 Irish £

Sources: Indosuez Bank Belgium (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

To Our Readers

Beginning today, we will include a world index of stock market performance in the weekly Last Week's Markets table, above. This index, the Morgan Stanley Capital International World Index, uses a representative sample of companies listed on 19 major stock markets. The index is adjusted for market capitalization and the relative importance of industry groups. It is designed to represent the evolution of an unmanaged world portfolio.



International Bond Prices

(Continued)

Amt	Security	%	Mat	Middle Price	Yield Mat	Yield Ave Life	Yield Curr
dm 150	Inter-American Dev Bk	8	'98 Feb	102½	5.78		7.80
dm 50	Inter-American Dev Pp	8	'89 Jul	105½	5.70		7.58
dm 150	Inter-American Dev Bk	9¾	'89 Jul	109¼	5.89		8.92
dm 100	Inter-American Dev Pp	8½	'91 Feb	106¾	6.48		7.96
dm 100	Inter-American Dev Bk	10	'91 Mar	113¼	6.37		8.83
dm 200	Inter-American Dev Bk	7¾	'91 Apr	106¾	5.97		7.27
dm 100	Inter-American Dev Bk	10¼	'91 Nov	115¾	6.47		8.86
dm 150	Inter-American Dev Bk	9	'92 Apr	111	6.51		8.11
dm 200	Inter-American Dev Bk	8¼	'92 Jul	108¼	6.44		7.61
dm 150	Inter-American Dev Pp	7¾	'92 Nov	104½	6.48		7.30
dm 250	Inter-American Dev Bk	7¼	'92 Nov	103⅞	6.33		6.86
dm 150	Inter-American Dev Bk	8¼	'93 Jan	108½	6.57		7.60
dm 250	Inter-American Dev Bk	8	'93 Mar	107	6.60		7.48
dm 200	Inter-American Dev Bk	7¾	'93 Apr	105¾	6.61		7.33
dm 150	Inter-American Dev Bk	8¼	'93 Aug	108½	6.70		7.63
dm 150	Inter-American Dev Bk	8¼	'93 Dec	108¾	6.72		7.61
dm 200	Inter-American Dev Bk	7½	'94 Dec	104½	6.76		7.18
dm 250	Inter-American Dev Bk	7¾	'95 Jul	102¾	6.79		7.05
dm 150	Inter-American Dev Pp	7½	'95 Dec	101¼	6.93		7.04
dm 300	Inter American Dev Bk	6¼	'96 Aug	97¼	6.56		6.43
dm 250	Inter American Dev Bk	6	'01 Apr	89¾	7.14		6.68
dm 250	World Bank	7	'87 Jan	100⅛	5.87		6.99
dm 250	World Bank	6¾	'87 Mar	100¼	5.76	5.75	6.73
dm 400	World Bank	6½	'87 May	100¾	4.76		6.45
dm 250	World Bank	6¾	'88 May	101	5.62	5.27	6.31
dm 150	World Bank Pp	8½	'88 Jun	104¾	5.20		8.11
dm 200	World Bank	6	'88 Aug	101½	5.05		5.91

Amt	Security	%	Mat	Middle Price	Yield Mat	Ave Life	Curr
dm 200	World Bank Pp	7¾	'88 Aug	104	5.23		7.45
dm 400	World Bank	6¼	'88 Dec	102¾	5.06		6.11
dm 100	World Bank Pp	7¾	'89 Feb	104¾	5.44		7.40
dm 300	World Bank	7¾	'89 Sep	106½	5.71		7.28
dm 250	World Bank	7¾	'90 Jan	106¼	5.51		7.29
dm 500	World Bank	5¾	'90 Feb	100¼	5.65	5.57	5.74
dm 200	World Bank Pp	7½	'90 Apr	105¼	5.73		7.13
dm 300	World Bank	10	'90 Mav	111¾	6.19		8.97
dm 250	World Bank	7½	'90 Jun	106	5.58		7.08
dm 700	World Bank	8	'90 Aug	107¾	5.62		7.42
dm 300	World Bank	7¾	'90 Oct	106¾	5.76		7.17
dm 100	World Bank Pp	8½	'90 Oct	107¾	6.35		7.93
dm 250	World Bank	9¼	'91 Jan	110¾	6.38		8.37
dm 250	World Bank Pp	6	'91 Mar	100⅜	5.86		5.97
dm 400	World Bank	7¾	'91 Jul	107¾	5.81		7.20
dm 100	World Bank Pp	11	'91 Sep	118	6.50		9.32
dm 200	World Bank Pp	7¾	'91 Dec	104½	6.30		7.06
dm 250	World Bank	10	'91 Dec	115¾	6.32		8.66
dm 200	World Bank Pp	6½	'92 Feb	102½	6.25		6.34
dm 300	World Bank	7¾	'92 Apr	106¾	6.30		7.22
dm 200	World Bank Pp	7¼	'92 Apr	104½	6.34		6.94
dm 200	World Bank	8½	'92 May	110¼	6.32		7.71
dm 300	World Bank	8¾	'92 Jul	108¾	6.25		7.48
dm 200	World Bank	9¾	'92 Aug	114¾	6.40		8.50
dm 200	World Bank	9	'92 Sep	112¾	6.40		7.99
dm 200	World Bank Pp	6¾	'92 Sep	100½	6.26		6.34
dm 350	World Bank Pp	6¾	'92 Nov	102¼	6.29		6.60
dm 200	World Bank	8¼	'92 Dec	109½	6.31		7.53
dm 200	World Bank	7¼	'93 Feb	105¼	6.30		6.89
dm 300	World Bank	6	'93 Dec	100¾	6.46		7.37

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 200	World Bank	8	'94 Feb	108⅞	6.53		7.39
dm 300	World Bank	8½	'94 Sep	109¾	6.57		7.44
dm 400	World Bank	7¾	'94 Nov	106¾	6.57		7.17
dm 300	World Bank	7¼	'95 Jan	102¼	6.99		6.90
dm 500	World Bank	7¼	'95 Feb	104⅛	6.58		6.96
dm 300	World Bank	7¾	'95 Apr	106¼	6.64		7.26
dm 600	World Bank	7	'95 Aug	102⅝	6.59		6.82
dm 600	World Bank	6½	'95 Oct	99⅞	6.52		6.51
dm 300	World Bank	5¾	'96 Mar	94⅞	6.49		6.06
dm 500	World Bank	6	'96 Jul	96⅝	6.51		6.23
dm 300	World Bank	6¼	'14 Mar	91¾	6.94		6.84

SWEDEN

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 75	Sweden	9¾	'88 Mar	103⅝	6.97		9.43
dm 200	Sweden	6	'89 Dec	100⅝	5.81	5.72	5.97
dm 150	Sweden	8¼	'89 Dec	104½	6.59		7.89
dm 125	Sweden	9¾	'92 Mar	104¾	8.70		9.35
dm 200	Sweden	7¾	'94 May	105⅝	6.83		7.44
dm 500	Sweden	7¼	'95 Feb	104¾	6.58		6.96
dm 300	Sweden	6½	'98 Mar	95⅞	6.65		6.71
dm 100	Ericsson Lm	6¾	'87 Mar	100⅛	5.74	5.75	6.73
dm 100	Forsmarks Kraftgrupp	5¾	'90 Jan	101	5.39	5.09	5.69
dm 100	Pkbanken Post-Och	5¾	'88 May	100	5.72	5.74	5.75
dm 100	Pkbanken Post-Och	5¾	'96 Apr	91	7.08		6.32
dm 100	Skf A/b	7¾	'89 May	104⅛	5.47		7.07
dm 100	Sveriges Invest Bank	6¾	'87 Mar	100⅛	5.34	5.33	6.72
dm 100	Sveriges Invest Bank	7	'88 Mar	101	6.14	5.65	6.93
dm 100	Swedish Export Credit	9½	'87 Sep	103¾	4.90		9.18
dm 100	Swedish Export Credit	10¼	'91 Nov	109	7.98	7.32	7.40

SWITZERLAND

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 100	Adia Resources Lt W/w	4½	'95 Nov	126½	1.36		3.56
dm 100	Adia Resources Lt X/w	4½	'95 Nov	8	6.61		3.23
dm 150	Credit Suisse Pan X/w	4	'90 Jul	97¼	4.82		4.11
dm 100	Credit Suisse Pan W/w	4	'90 Jul	129½	3.32		3.09
dm 150	Credit Suisse Pan W/w	2¾	'95 Dec	97¾	2.71		2.69
dm 150	Credit Suisse Pan X/w	2¾	'95 Dec	78½	5.72		3.34
dm 100	Intershop O/s Fin W/w	2¾	'96 Jul	105	2.17		2.62
dm 100	Intershop O/s Fin X/w	2¾	'96 Jul	77¼	5.91		3.56

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 60	Lindt & Spruengli W/w	2	'93 Jul	106	1.07		1.89
dm 60	Lindt & Spruengli X/w	2	'93 Jul	81½	5.31		2.45
dm 75	Moevenpick Fin Lt X/w	3	'92 Nov	87	5.59		3.45
dm 75	Moevenpick Fin Lt W/w	3	'92 Nov	116	.32		2.59
dm 100	Pirelli Deutschld W/w	3	'93 Feb	115	.54		2.61
dm 100	Pirelli Deutschld X/w	3	'93 Feb	83¾	6.23		3.58
dm 200	Swiss Bank Corp W/w	3½	'94 Dec	151	2.68		2.04
dm 200	Swiss Bank Corp W/w	2¾	'96 Feb	102½	2.44		2.68
dm 200	Swiss Bank Corp X/w	2¾	'96 Feb	78¾	5.87		3.51

UNITED KINGDOM

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 125	Allied Chemical O/s	7½	'94 Feb	102⅛	7.31		7.34
dm 250	Barclays O/s Invest	8½	'96 Dec	106½	7.24	7.24	7.66
dm 100	Beecham Financiering	8½	'92 Oct	103⅞	7.29		7.93
dm 200	Beecham Group	7¾	'94 Nov	103⅝	6.53		7.18
dm 150	Btr Finance	7¾	'94 Dec	103⅞	6.81		7.23
dm 100	Courtaulds Intl Fin	6½	'87 Jul	99⅞	6.53	6.63	6.51
dm 100	Guest Keen Nettlefold	8¾	'89 Nov	107⅝	4.98		8.88
dm 100	Heron Internat Financ	7¾	'95 Dec	108¼	7.31		7.23
dm 100	Laporte Finance	8	'91 Nov	105¾	6.60		7.57
dm 100	Metropol Estate	7½	'92 Feb	103¼	6.73		7.26
dm 200	Midland Intl Finance	6½	'96 Oct	98¼	6.76		6.62
dm 125	Natl Westminster Fin	11	'91 Oct	118¾	6.46		9.26
dm 100	Natl Westminster Fin	9¾	'92 Jan	114½	6.46		8.62
dm 75	Rank Xerox Finance	7½	'93 Apr	104¾	6.60		7.18
dm 100	Reed International	7¼	'89 Jun	100⅝	6.75	6.33	7.21
dm 100	South Scotland Electr	7	'88 Feb	100⅜	6.45	6.21	6.97
dm 125	Standard Chartered Bk	6½	'88 Jan	100⅞	5.89		6.46

U.S.A.

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
dm 70	American Express Intl	5½	'87 Jan	100	5.58		5.50
dm 100	Avco Intl Finance	7½	'93 Feb	101½	7.18	7.81	7.29
dm 150	Bankamerica O/s	5¾	'90 Nov	96¾	6.71		5.94
dm 150	Beatrice Foods O/s	7¾	'93 Sep	103⅝	7.11		7.50
dm 100	Beneficial O/s Financ	9½	'89 May	106½	6.53		8.92
dm 100	Chase Manhattan O/s	6	'93 Sep	97¾	6.41	6.47	6.14
dm 200	Chrysler Financial Pp	6¾	'94 Apr	103⅞	6.08		6.50
dm 200	Chrysler Financial Co	7¼	'94 Mar	103⅝	6.71		6.73
dm 125	Cit-Honeywell Bull	8¼	'90 Aug	102	7.73		8.21
dm 200	Citicorp	6¾	'96 Oct	97¼	6.98		6.46
dm 150	Citicorp O/s Finance	8	'92 Jun	105⅞	6.70		7.56
dm 200	Corn Products Cpc	6¾	'01 Jan	99¾	6.80		6.78
dm 300	Dow Chemical Co	6¾	'95 Oct	102¾	6.41		6.60
dm 300	Dow Chemical Co	5¾	'96 May	93	6.64		6.05
dm 175	Emhart Corp	6¾	'95 Oct	101	6.60		6.68
dm 100	First Inter Bancorp	6	'96 Mar	89	7.40		6.66
dm 75	Ford Credit O/s Fin	7¾	'89 Jul	103¼	6.25		7.30
dm 200	Ford Motor Credit Co	7	'95 Nov	102⅝	6.87		6.54
dm 200	General Motors Corp	5¾	'96 Jun	93¼	6.71		6.17
dm 100	Gmac O/s Finance	8½	'87 Oct	102½	5.32		8.05
dm 100	Gould Intl Finance	7¾	'91 May	103¼	6.75		7.18
dm 100	Intl Standard Electri	7¾	'90 Dec	105¼	5.74		6.97
dm 100	Intl Standard Electri	7½	'93 Aug	103½	7.02		7.49
dm 100	Intl Standard Electri	7¾	'94 May	104½	6.75		7.19
dm 100	Itt Antilles	9¼	'92 Aug	108¾	7.43		8.55
dm 200	Itt Antilles	7	'93 Jan	103½	6.24		6.78
dm 100	Itt Corporation	7	'90 Jan	102¾	6.19		6.85
dm 100	Mc Dermott	6½	'91 Jul	101½	6.11		6.40
dm 100	Mcdonalds Finance Co	8¼	'92 Oct	106	6.97		7.78
dm 100	Mcdonalds Finance Co	7¾	'92 Dec	104¾	6.21		6.82
dm 100	Mcdonalds Finance Co	7¾	'94 Jul	105	6.88		7.38
dm 150	Occidental Intl Finan	6¾	'90 Dec	101	6.46	6.22	6.68
dm 130	Owens-Corning Fiberal	7¾	'90 Dec	100	7.25		7.25
dm 250	Pepsico O/s Finance	7¼	'94 Feb	102¼	6.84		7.09
dm 225	Philip Morris Co Inc	6	'96 Mar	98¾	6.17		6.08
dm 150	Philip Morris Intl Co	9¾	'89 Feb	103⅞	7.69		9.18
dm 100	Philip Morris Intl Co	8¼	'90 May	103	7.22		8.01
dm 100	Philip Morris Intl Co	7¾	'90 Dec	107¼	6.56		7.26
dm 175	Pillsbury Co	6¾	'92 Dec	100¾	5.01		6.72
dm 265	Reynolds RJ Industrie	8¾	'00 Nov	100¼	6.86		6.87
dm 125	Reynolds RJ O/s	7¾	'94 Jan	103½	6.78		7.14
dm 150	Sperry Coracao	8	'94 Jul	106	6.94		7.55
dm 250	Sterling-Winthrop Pro	7¾	'94 Mar	102⅝	6.75		7.86
dm 100	Sun Intl Finance	7¾	'88 Aug	101¼	6.48	6.44	7.41
dm 250	Tenneco Corp	6⅞	'95 Nov	100	6.87		6.88
dm 100	Tenneco Intl	9	'92 Jul	102⅞	8.21		8.71
dm 100	United Technologies	7¼	'91 Oct	107	5.58		6.78
dm 100	United Technologies	7¾	'92 Dec	105⅝	6.54		7.34

French Francs

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
ff 100	Bast Transatlantica	7½	'87 May	91	20.19	20.68	8.24
ff 50	Bass Charrington	7½	'87 Aug	99	8.90	8.90	7.58
ff 100	Charter Consolid O/s	7½	'87 Oct	101	6.28	6.27	7.43
ff 100	Ciments Lafarge	7½	'87 Jul	100	7.48	7.48	7.50
ff 100	Denmark	7½	'87 Sep	100½	7.48	7.58	7.49
ff 175	Eib Europ Invest Bank	7¼	'87 Aug	98	10.17	10.16	7.40
ff 100	Eurofom	9¾	'87 May	99½	10.98		9.83
ff 500	Gaz De France	11¼	'88 May	111	9.73		10.14
ff 100	Oslo City	7¼	'87 Mar	100½	6.23	6.52	7.23
ff 175	Peugeot-Citroen	9¾	'87 Feb	99½	11.73	11.73	9.80
ff 100	Pont-A-Mousson	7½	'87 Aug	99	8.90	8.90	7.58
ff 200	Renault	7¼	'87 Mar	98¾	11.69	11.86	7.36
ff 100	Rhone-Poulenc	7¼	'87 Apr	99½	8.56	8.57	7.24
ff 125	Solvay	9¾	'87 Apr	97¾	11.61		9.84
ff 150	World Bank	7¼	'87 Jun	99¾	7.36	7.36	7.26

Norwegian Kroner

Amt	Security	%	Mat	Middle Price	Mat	Ave Life	Curr
nkr 250	Denmark	9½	'92 Mar	95¾	10.53		9.91
nkr 200	Eksportfinans	12	'89 Jan	100½	11.67		11.94
nkr 250	Eksportfinans	10¼	'92 Jan	99¾	10.45		10.42
nkr 200	Finland	11½	'89 Jun	101½	10.72		11.33
nkr 100	Nordic Investment Bk	12½	'88 Jul	102½	11.57	11.09	12.20
nkr 100	Norges Hypotekinstitut	10½	'88 Apr	97¾	12.19	12.18	10.74
nkr 250	Norsk Data	10¼	'89 Dec	99¾	10.84		10.78
nkr 200	Norsk Hydro	12	'91 Oct	100½	11.85	11.77	11.94
nkr 100	Oslo City	10¼	'90 Feb	98½	10.78	11.77	10.41
nkr 150	Oslo City	11¼	'91 Aug	101½	10.88		11.08
nkr 250	Scandinavian Airlines	10½	'93 Jun	98¾	10.51		10.32

Euro-Currency Units

Amt	Security
ecu 130	All Nippon Airways
ecu 30	Austria New Zealand Bk
ecu 100	Austria
ecu 57	Bacob Finance
ecu 100	Banca Di Roma
ecu 50	Bank Mees & Hope
ecu 40	Bank Of Tokyo Curacao
ecu 100	Banque Franc Com Ext
ecu 150	Banque Franc Com Ext
ecu 75	Banque Franc Com Ext
ecu 100	Banque National Paris
ecu 75	Banque National Paris
ecu 60	Bayerische Vereinsbk
ecu 75	Caisse Nat Telecomm
ecu 75	Caisse Nat Telecomm
ecu 50	Coralli Inc
ecu 60	Chrysler Financial Co
ecu 75	Chrysler Financial Co
ecu 75	Chrysler Financial Co
ecu 54	Chrysler Financial Co
ecu 50	Citicorp
ecu 50	Club Mediterranee
ecu 75	Colgate Palmolive Co
ecu 70	Comp Machines Bull
ecu 40	Copenhagen City
ecu 65	Credit Commerc France
ecu 50	Credit Du Nord
ecu 70	Credit Foncier France
ecu 175	Credit Lyonnais
ecu 50	Credit National
ecu 67	Creditanstalt-Bankver
ecu 70	Credito Italiano
ecu 250	Denmark
ecu 70	Dresdner Finance
ecu 40	Ecs Euro Coal & Steel
ecu 100	Eec Europ Econom Com
ecu 75	Eec Europ Econom Com
ecu 50	Eib Europ Invest Bank
ecu 40	Eib Europ Invest Bank
ecu 75	Eib Europ Invest Bank
ecu 75	Eib Europ Invest Bank
ecu 100	Eib Europ Invest Bank
ecu 100	Eib Europ Invest Bank
ecu 130	Eib Europ Invest Bank
ecu 100	Eib Europ Invest Bank
ecu 150	Eib Europ Invest Bank
ecu 200	Eib Europ Invest Bank
ecu 150	Electricite France
ecu 200	Electricite France
ecu 30	Enso-Gutzeit
ecu 38	Enso-Gutzeit
ecu 100	Eurofom
ecu 50	Eurofima
ecu 50	Eutelsat
ecu 100	Export Develop Corp
ecu 55	Fiat Finance & Trade
ecu 45	Ford Credit Canada
ecu 55	Gillette Company
ecu 75	Giroz Bank Sparkassen
ecu 60	Giroz Bank Sparkassen
ecu 250	Ibrd World Trade
ecu 60	Industrial Bk Finland
ecu 100	Inter-American Dev Bk
ecu 100	Ireland
ecu 200	Italy
ecu 50	Kansallis-Osake-Pankki
ecu 75	Kb Ilema
ecu 55	Kredietbank (lux) Sa
ecu 75	Mepal Finance
ecu 75	Merrill Lynch Co Inc
ecu 60	Mitsui Trust Fin (hk)
ecu 50	Moet Hennessy
ecu 100	Morgan Guaranty Trust
ecu 50	Motorola Inc
ecu 60	New South Wales Treas
ecu 100	New Zealand
ecu 100	New Zealand
ecu 100	Nissan Motor Co
ecu 65	Oster Landerbank X/w
ecu 100	Pargesa Bank Corp W/w
ecu 75	Petrocorp O/s Finance
ecu 75	Peugeot
ecu 100	Phibro-Salomon
ecu 75	Philips Intl Finance
ecu 50	Primary Industry Bank
ecu 75	Privatbanken
ecu 75	Rabobank Nederland
ecu 75	Rabobank Nederland
ecu 40	Rep Auto Transp Paris
ecu 125	Reynolds RJ Industrie
ecu 40	Sanwa Intl Finance Hk
ecu 100	Scandinavian Airlines
ecu 100	Sec Pacific Australia
ecu 40	Sncf Nat Chemins Fer
ecu 52	Sumitomo Corporation
ecu 40	Sumitomo Corporation
ecu 75	Sumitomo Finance Asia
ecu 200	Sweden
ecu 70	Union Bank Norway
ecu 75	Victoria Public Autho
ecu 65	Walt Disney Productio
ecu 60	Walt Disney Productio
ecu 50	Westpac Banking Co
ecu 125	World Bank
ecu 75	World Bank
ecu 125	World Bank
ecu 50	World Bank
ecu 75	World Bank
ecu 250	World Bank

Pounds Sterling

Amt	Security
£ 60	Alliance & Leicester
£ 40	American Brands
£ 50	Amev Nv
£ 50	Amro Bank
£ 30	Austrian Central Bank
£ 100	Bat Intl Finance
£ 50	British Petrol Capita
£ 40	Cbs Inc
£ 30	Cigna O/s Finance
£ 20	Citicorp O/s Finance
£ 30	Commonwealth Bk Austr
£ 50	Council Of Europe
£ 50	Credit Lyonnais
£ 75	Denmark
£ 75	Denmark
£ 50	Deutsche Bank Finance
£ 50	Eec Europ Econom Com
£ 50	Eec Europ Econom Com
£ 50	Eec Europ Econom Com
£ 50	Eec Europ Econom Com
£ 25	Eib Europ Invest Bank
£ 15	Eib Europ Invest Bank
£ 40	Eib Europ Invest Bank
£ 25	Eib Europ Invest Bank
£ 50	Eib Europ Invest Bank
£ 35	Enhart Corp
£ 20	Eurofima
£ 40	Finance For Industry
£ 40	Forsmarks Kraftgrupp
£ 40	General Motors Accept
£ 50	General Motors Accept
£ 75	General Motors Accept
£ 75	Grand Metrop Finance
£ 150	Hanson Trust
£ 50	Imperial Chemical Ind
£ 75	Imperial Chemical Ind
£ 75	Imperial Chemical Ind
£ 100	Imperial Chemical Ind
£ 30	Indust Bank Japan Fin
£ 30	Inter-American Dev Bk
£ 75	Inter-American Dev Bk
£ 75	Investors In Industry
£ 100	Investors In Industry
£ 75	Investors In Industry
£ 50	Ireland
£ 15	Lewis John
£ 40	Mcdonalds Corporation
£ 75	Mepc
£ 50	Mitsubishi Fin(hk)
£ 75	Nationwide Build Sec
£ 100	New Zealand
£ 30	Nippon Credit Bank
£ 50	Norsk Hydro
£ 50	Norsk Hydro
£ 50	Pemex Petroleos Mexic
£ 50	Phillips Finance
£ 75	Philip Morris Cred Co
£ 40	Rank Xerox Finance
£ 15	Rowntree Mackintosh
£ 50	Royal Bank Of Canada
£ 60	Royal Insurance
£ 60	Sainsbury J
£ 35	Sterling Drug Capital
£ 50	Sweden
£ 100	Sweden
£ 100	Sweden
£ 30	Swedish Export Credit
£ 30	Swedish Export Credit
£ 30	Treasury New S Wales
£ 50	Trusthouse Forte
£ 35	United Technologies
£ 50	Westpac Banking
£ 15	Whitbread Co
£ 100	World Bank
£ 100	World Bank
£ 50	World Bank
£ 50	World Bank
£ 100	World Bank

cn$: Canadian dollar.
dm: Deutsche mark.
ecu: European currency unit.
ff: French franc.
£: pound sterling.
nkr: Norwegian kroner.
p: pence.
Pp: private placement.
W/w: with warrants.
X/w: ex warrants.
y: yen.
Amounts in millions.
Interest paid free of tax except otherwise indicated.
Yields before tax and calculated per AIBD standard definition.
Convertibles:
Figure after name of issuer is number of shares into which one bond is convertible.
Conversion price of non-U.S.$ bonds adjusted at present foreign exchange rate.
Share yields before tax on indicated dividends.

Canadian Dollars

Amt	Security
cn$ 30	Laval City
cn$ 35	Loblaw
cn$ 40	Montreal City
cn$ 50	Montreal City
cn$ 50	Montreal City
cn$ 60	Montreal City
cn$ 50	Montreal City
cn$ 50	National Financiera
cn$ 35	Nelson Realty Corp
cn$ 50	National Bank Canada
cn$ 75	New Brunswick Provinc
cn$ 75	New Brunswick Provinc
cn$ 40	Norcen Energy Res
cn$ 11	Nova Scotia Power
cn$ 100	Nova Scotia Province
cn$ 25	Quebec City
cn$ 75	Quebec Hydro
cn$ 60	Quebec Hydro
cn$ 50	Quebec Hydro
cn$ 100	Quebec Hydro-Electric
cn$ 50	Quebec Province
cn$ 50	Quebec Province
cn$ 50	Quebec Province
cn$ 150	Quebec Province
cn$ 35	Royal Bank Of Canada
cn$ 40	Royal Bank Of Canada
cn$ 40	Royal Bank Of Canada
cn$ 50	Sears Acceptance
cn$ 75	Shell Canada
cn$ 50	Simpsons-Sears Accept
cn$ 50	Swedish Export Credit
cn$ 50	Swedish Export Credit
cn$ 50	Toronto-Dominion Bank
cn$ 50	Toronto-Municipality
cn$ 50	Transalta Utilities
cn$ 100	Transalta Utilities
cn$ 50	Trizec Corp
cn$ 50	Union Carbide Canada
cn$ 30	Vancouver
cn$ 81	Vienna City
cn$ 75	World Bank
cn$ 50	Xerox Canada
cn$ 50	Zentralsparkasse-Kommunal

Amt	Security
cn$ 50	American Express O/s
cn$ 75	Banque Indosuez
cn$ 50	Banque National Paris
cn$ 24	Brit Columbia Municip
cn$ 125	Brit Columbia Provinc
cn$ 150	Brit Columbia Provinc
cn$ 100	Brit Columbia Provinc
cn$ 100	Brit Columbia Provinc
cn$ 50	Brit Columbia Provinc
cn$ 75	Brit Columbia Teleph
cn$ 50	Canadian Imperial Bk
cn$ 75	Canadian Imperial Bk
cn$ 60	Canadian Natl Railway
cn$ 100	Canadian Natl Railway
cn$ 100	Canadian Natl Railway
cn$ 100	Canadian Natl Railway
cn$ 60	Canadian Occid Petrol
cn$ 50	Canadian Pacific
cn$ 75	Canadian Pacific
cn$ 75	Canadian Utilities
cn$ 50	Canadian Utilities
cn$ 50	Chrysler Credit Can
cn$ 60	Chrysler Credit Can
cn$ 70	Credit Fonc Franc-Can
cn$ 100	Denmark
cn$ 60	Eib Europ Invest Bank
cn$ 50	Farm Credit Corp
cn$ 50	Ford Motor Credit Can
cn$ 20	Gaz Metropolitain
cn$ 25	Gaz Metropolitain
cn$ 30	Gaz Metropolitain
cn$ 35	General Motors Accept
cn$ 75	Genstar Financial Co
cn$ 60	Hudsons Bay
cn$ 50	Hudsons Bay
cn$ 50	Industrial Bank Japan
cn$ 30	Interprovin Pipe Line
cn$ 75	Kreditbank Ithao

Japanese Yen

Amt	Security
y 10000	Allied Co
y 20000	Allied-Signal Inc
y 20000	American Express Cred
y 20000	American Express O/s
y 15000	Asian Develop Bank
y 10000	Associates North Amer
y 10000	Atlantic Richfield Co
y 40000	Australia
y 15000	Australia
y 20000	Australian Ind Dev Co
y 30000	Austria
y 40000	Austria
y 20000	Avon Capital Corp
y 20000	Barclays Overs Invest
y 40000	Bayerische Landesbank
y 10000	Bayerische Vereinsbk
y 15000	Beca Finance
y 17000	British Petrol Overse
y 20000	Canada
y 30000	Canada
y 10000	Canadian Pacific
y 20000	Citicorp
y 20000	Coca-Cola Company
y 15000	Credit Foncier France
y 10000	Cox Corporation
y 10000	Denmark
y 20000	Denmark
y 10000	Denmark
y 15000	Dow Chemical Co
y 25000	Dow Chemical Co
y 20000	Eib Europ Invest Bank
y 20000	Electricite France
y 15000	Electricite France
y 10000	Eurofima
y 10000	Eurofima
y 15000	Eurofima
y 15000	Finland
y 20000	Ford Motor Credit Co
y 25000	General Electric Co
y 25000	General Motors Accept
y 20000	General Motors Corp
y 12500	Goodyear Tire Rubber
y 25000	Goodyear Tire Rubber
y 10000	Ibm Credit Corp
y 15000	Inter-American Dev Bk
y 20000	Itt Corporation
y 25000	Mcdonalds Corporation
y 15000	Minnesota Mining Manu
y 10000	Montreal City
y 10000	Morgan Jp Co Inc
y 10000	Mortgage Bank Denmark
y 10000	New Brunswick Provinc
y 15000	New Zealand
y 15000	New Zealand
y 50000	Nippon Telegra Teleph
y 10000	Nord-Lb Girozentrale
y 15000	Nordic Investment Bk
y 40000	Norway
y 20000	Pacific Gas Electric
y 20000	Penney Jc Co Inc
y 20000	Philip Morris Co Inc
y 20000	Postipankki
y 10000	Postipankki
y 10000	Postipankki
y 25000	Procter & Gamble
y 25000	Procter & Gamble
y 10000	Quebec Hydro-Electric
y 12500	Sears Roebuck Co
y 20000	Sweden
y 25000	Sweden
y 30000	Sweden
y 10000	Swedish Export Credit
y 17000	Swedish Export Credit
y 14000	Swedish Export Credit
y 15000	Trw Inc
y 25000	United Technologies
y 10000	Walt Disney Productio
y 20000	World Bank
y 20000	World Bank
y 20000	World Bank
y 20000	World Bank
y 25000	World Bank
y 30000	World Bank

Zero-Coupons

Security
American Intl Group
Asian Develop Bank
Atlantic Richfield Co
Baker Intl Finance
Beatrice Foods O/s
Belgium
Campbell Soup O/s Fin
Caterpillar Fin Serv
Caterpillar Fin Serv
Centrust Savings Bank
Commerzbank
Commerzbank
Connecticut Mut Life
Du Pont Overseas Cap
Eksportfinans
Electricite France
Exxon Capital
Florida Feder Savings
Gaz De France
Gaz De France
General Electric Cred
General Electric Cred
General Electric Cred
General Electric Cred
General Electric Cred
General Mills Inc
General Mills Inc
Gmac O/s Finance
Gmac O/s Finance
Gmac O/s Finance
Gulf Oil Finance
Hewlett-Packard Fin
Italy
Nordic Investment Bk
Penney Jc Global Fin
Pepsico Capital
Pepsico Capital
Philip Morris Credit
Prudential Realty Sec
Reynolds RJ O/s
Rockefeller Cent Prop
Sears Overseas
Sears Overseas
Sears Overseas
Siemens Western W/w
Siemens Western X/w
Swedish Export Credit
Swedish Export Credit
Swiss Bank Corp
Wells Fargo Intl Fin
World Bank
Xerox Credit O/s Fin

Convertible Bonds

EUROPE

Amt	Security
$ 80	Alusuisse Capit 17.08
$ 60	Alusuisse Intl
$ 20	Banca Svizzera Italia
$ 84	Bbc Brown Boveri 5.34
$ 57	Bbc Brown Boveri 10.80
£ 60	Bet Public Ltd
ecu 170	Btr Plc
$ 80	Cadbury Schweppes
$ 100	Credit Suisse Bahamas
$ 100	Credit Suisse Bahamas
$ 51	Electrowatt Finance
$ 50	Fisons Finance
$ 50	Hawley Group Pref/sh
£ 100	Ici Finance 1.25
£ 100	Ici Intl Fin 124.77
$ 40	Inchcape Bermu 92.27
$ 50	Intershop O/s 5.80
$ 34	Intershop O/s 10.80
$ 40	Lonrho Finance
$ 100	Lonrho Finance
ff 500	Michelin 4.42
$ 50	Moet-Hennessy 5.82
$ 75	Pearson Plc
$ 50	Pirelli Fin Services
$ 40	Pirelli Uk Intl
$ 75	Rank Organisat 68.84
$ 97	Sandoz Holding 5.80
$ 20	Surveillance
$ 120	Swiss Bank Co O/s
$ 120	Ubs (luxembourg) 1.89
$ 115	Ubs (panama) 15.00

JAPAN

Amt	Security
$ 120	Ajinomoto Co
$ 70	Bridgestone Tire Co
$ 100	Canon Inc
$ 100	Casio Computer
$ 50	Citizen Watch Co
$ 100	Fujitsu Ltd
$ 40	Hitachi Credit Corp
$ 100	Jvc Victor Comp Japan
$ 40	Kajima Corporation
$ 70	Kao Corporation
$ 50	Konishiroku Photo
$ 100	Marui Co Ltd
$ 100	Mazda Motor Corp
$ 100	Mitsubishi Electr Co
$ 100	Murata Manufacturing
$ 100	Murata Manufacturing
$ 150	Nec Corporation
$ 50	Nippon Oil
$ 50	Nippon Oil
$ 70	Nippon Seiko
$ 100	Nissan Motor
$ 70	Olympus Optical Co
$ 40	Orient Finance Co
$ 100	Sanwa Bank Ltd
$ 50	Sanyo Electric Co
$ 50	Secom Co Ltd
$ 50	Sekisui House Ltd
y 30000	Sony Corp
$ 70	Sumitomo Corp
$ 50	Sumitomo Metal Indust
$ 100	Tokyo Sanyo Electric
$ 50	Toshiba Ceramics Co

MISCELLANEOUS

Amt	Security
£ 4	Cons Gold Field 2.11
$ 160	Elders NY 594.37
dm 200	Elders Pic 173.88
$ 175	Elders Pic 348.31
$ 75	Elders Pic 497.46
$ 150	Jardine Math Pref/sh
$ 65	Pacific Dunlop 391.53

U.S.A.

Amt	Security
$ 15	Addressograph 12.50
$ 20	Aircal Inc 25.11
$ 40	Alaska Interstate 42.43
$ 100	Alco Health Ser 38.10
$ 70	American Banker 50.96
$ 50	American Can 18.05
$ 40	American Express 38.33
$ 300	American Gener 24.69
$ 25	American Motor 161.55
$ 30	Amf Incorp 19.14
$ 25	Apache Intl Fin 43.24
$ 300	Beatrice Fin 27.31
$ 25	Blocker Energy 45.71
$ 75	Burlington Ind 21.74
$ 125	Coltec Inc 28.37
$ 15	Cdc Control Dat 14.55
$ 50	Charter Intl Fi 20.51
$ 60	Chrysler O/s 20.25
$ 200	Chubb Corp 11.73
$ 50	Comcast Corp 41.88
$ 25	Commercial Shea 58.83
$ 110	Comsat Intl 28.46
$ 25	Contl Tel Intl 42.18
$ 30	Crutcher Financ 33.04
$ 30	Cummins Int Fin 27.65
$ 20	Damon Corp 13.75
$ 25	Diasonics Inc 214.22
$ 18	Dialcon Finance 33.90
$ 70	Eastman Kodak 15.62
$ 300	Eastman Kodak 13.14
$ 15	El Eco Labs Int 43.84
$ 20	Esterline Intl 33.31
$ 25	Fairmont Financ 40.44
$ 30	Fedders Capital 21.16
$ 75	Ford Intl Finan 48.08
$ 12	Galaxy Oil Intl 58.43
$ 50	General Electr 124.77
$ 15	Genesco World 26.52
$ 100	Gibraltar Savin 74.91
$ 75	Gleaied Inc 35.40
$ 250	Grace Wr & Co 15.83
$ 60	Heinemann Payne 17.22
$ 300	Ibm Corporation 25.97
$ 25	Icn Pharmaceut 48.26
$ 30	Ina O/s Finance 20.93
$ 20	Ina O/s Finance 22.01
$ 60	Intl Lease Fin 26.38
$ 50	Intl Stand Elec 18.80
$ 30	Intl Stand Elec 15.45
$ 50	Intl Telephone 17.82
$ 30	Itt Sheraton 18.55
$ 25	Kaiser Aluminum 40.40
$ 50	Kinder-Care Int 72.20
$ 30	Lear Petrol Lux 31.03
$ 40	Lear Petrol Lux 39.26
$ 100	Lorimar-Telepic 24.38
$ 100	Louisiana Land 26.81
$ 60	Ltv Intl 93.82
$ 40	Marine Midland 25.00
$ 50	Marion Intl Fin 67.88
$ 15	Mcdonnell Miller 58.00
$ 50	Mds Capital Co 12.20
$ 25	Mgt Intl Fin 62.97
$ 75	Mhml Co Intl 71.75
$ 50	Mohasco Intl 28.65
$ 40	Moran Energy 43.45
$ 25	Morgan Jp O/s 38.27
$ 60	Natl Guardian 71.43
$ 100	Newmont Mining 18.95
$ 30	Pan American 79.55
$ 20	Penne Finance 31.81
$ 25	Penney Jc Europ 18.67
$ 75	Penney Jc Intl 12.19
$ 25	Pepsico Capital 78.99
$ 20	Reading Bates 27.78
$ 30	Reynolds Metals 22.89
$ 225	Rockefeller Cent Prop
$ 250	Rorer Group 19.52
$ 100	Revco Company 25.40
$ 20	Rpm Inc 44.28
$ 12	Scope Industrie 66.67
$ 60	Sci Systems 43.96
$ 50	South Calif Edi 61.78
$ 30	Southland Corp 45.19
$ 30	Southwest Airli 24.11
$ 15	Spectra-Physics 22.20
$ 20	Sealink Intl Fin 17.54
$ 100	St Paul Comp 29.75
$ 20	Sunrise Medical 56.34
$ 1000	Texaco Capital 20.00
$ 500	Texaco Capital 20.00
$ 75	Texaco (europe) 22.40
$ 30	Thermedics Inc 57.86
$ 30	Thermo Analytic 72.89
$ 50	Tosco Intl Fin 26.76
$ 50	Transco Intl 17.76
$ 60	Tricentrol Gas 33.94
$ 60	United Cable Tv 25.65
$ 50	Usair Finance 26.67
$ 50	Verco Intl Fin 32.71
$ 30	Viacom Intl 36.57
$ 225	Viacom Intl Inc 25.06
$ 40	Warner Lambert 20.80
$ 25	Warner Lambert 16.26
$ 30	Warner Lambert 24.48
$ 75	Xerox Corp 6.76

NASDAQ National List

OTC consolidated trading for week ended Friday. Nov. 13

	Sales in 100s	High	Low	Last	Net Ch'ge
A					
AA Imp	2	4¾	4¾	4¾	
ACS Ind	6	3⅝	3⅝	3⅝	
ASDR	1404				
AbingS	1300	11½	9¼	11	+1¼
Aceptin	228	9½	9¼	9½	+ ¼
Adelph	458	15¾	15½	15½	— ¼
AdobSy	757	23	22½	23	+ ½
AdvRos	106	6⅛	6	6	— ⅛
AdvInst	108	2¾	2⅝	2⅝	— ¼
AdvoSy	6057	6⅞	6¼	6¾	+ ½
AerS wt	798	⅝	⅝	⅝	+ ⅛
Alden	303	5⅞	5	5⅞	— ¼
AlexEn	1191	⅞	¾	⅞	
AllATV	413	5¾	5	5	— ¾
AllSea	127	¾	⅝	¾	
Aloette	99	9½	9½	9½	
AloSchr	62	20¼	17¾	20¼	+3
Amribc	24	16	15½	15½	— ½
AmAgr	127	38½	38½	38½	
AComDv	9	⅞	⅞	⅞	
AmLrn	45	8¾	8	8¾	+ ¾
AMidl wt	3049				
AMidl wt	553	⅛	⅛	⅛	
ANtPl s	17	⅝	⅝	⅝	+ ⅛
AmPac	27	2	2	2	
AmPasg	94	2⅞	2	2⅞	+ ½
Aregs	519	7¾	7¾	7¾	
AmtyBk	40	10¼	9¾	10¼	
AngSA	1289	15⅞	14⅞	15¼	+ ⅜
AngAG s	1755	7	7⅝	7	— ½
ApldClr	1539	⅜	⅜	⅜	+ ⅛
AfrisG	224	2⅞	2⅜	2⅞	+ ¼
Aryt un	836	7	6¾	7	+ ¼
ASEA s	1769	53⅛	52½	52¾	+ ¼
AspR un	24	4½	4½	4½	
AsdMtg	31	2½	2½	2½	
Astrdy	407	2⅝	2⅛	2⅝	+ ⅛
AutoFr s	2	2	2	2	

Euromarts At a Glance

Eurobond Yields

	Nov. 12	Nov. 5
U.S. $, Int'l Inst., 5 yrs & over	8.32	8.34
public issuers, 5 yrs & over	8.45	8.53
industrials, 5 yrs & over	8.70	8.71
industrials, 5 to 7 yrs	8.23	8.22
Pounds sterling, 5 to 7 yrs	11.40	11.40
French francs, less than 5 yrs	8.37	8.35
ECU, 5 yrs & over	8.43	8.46
5 to 7 yrs	8.28	8.31
Can. $, 5 to 7 yrs	9.98	10.02
Aus. $, 5 to 7 yrs	14.07	14.34
N.Z. $, less than 5 yrs	15.67	15.64
Yen, 5 yrs & over	6.33	6.32
5 to 7 yrs	5.82	5.96

Source: Luxembourg Stock Exchange.

Weekly Sales

Nov. 14

Primary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	305.80	145.00	1,618.10	281.90
Convert.	55.30	—	392.80	4.20
FRNs	429.00	—	2,700.50	—
ECP	575.00	139.90	1,881.80	42.40
Total	1,365.10	284.90	6,593.20	328.70

Secondary Market

	Cedel $	Cedel Nons	Euroclear $	Euroclear Nons
Straights	7,892.40	5,398.40	14,336.10	7,122.30
Convert.	575.40	102.40	1,708.40	118.80
FRNs	3,381.60	1,047.00	14,496.00	2,492.00
ECP	1,328.40	108.90	1,998.80	22.10
Total	13,167.80	6,640.70	31,931.30	9,445.30

Source: Euroclear, Cedel.

Libor Rates

Nov. 14

	1-month	3-month	6-month
U.S. $	6 1/16	6 1/16	6 1/16
Deutsche mark	4⅝	4⅝	4⅝
Pound sterling	10⅞	11¼	11 5/16
French franc	8¼	8⅜	8⅜
ECU	7 7/16	7 9/16	7 9/16
Yen	4½	4⅝	4⅝

Source: Morgan Guaranty, Lloyds Bank, Reuters.

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مكتامنه الأصل

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
FLOATING RATE NOTES						
Georgia Federal Savings & Loan Association	$200	1996	3/16	100	99.95	Over 6-month Libor. Callable at par in 1989. Fees 0.08%. Denominations $100,000.
Libra Bank	$25	1991	3/16	100	—	Over 3-month Libor. Noncallable private placement. Registered notes in denominations of $500,000.
Oxford Acceptance	$45	1993	⅛	100	99.83	Over 6-month Libor. Noncallable. Fees 0.22%. Denominations $500,000.
Robert Fleming Netherlands	$100	perpt	½	100	—	Over 6-month Libor. Callable at par in 1992. Fees 1½%.
FIXED-COUPON						
Asian Development Bank	$100	1996	8	100⅝	98.25	Noncallable. Fees 2%.
Dai-Ichi Kangyo Bank	$100	1991	7¾	101¾	99.95	Noncallable. Fees 1⅞%.
Denmark	$1,000	1988	7	101½	100.13	Noncallable. Fees 1.14%. Denominations $10,000.
Japan Air Lines	$100	1996	8⅛	101⅝	99.63	Noncallable. Fees 2%.
Mitsubishi Finance (Hong Kong)	$100	1993	7⅞	101	99.25	Noncallable. Fees 1⅞%. Denominations $25,000.
Eurofima	DM 150	1994	2	100	—	Coupon will be 2% in first year and 6⅝% of redemption amount thereafter. Redemption amount will be linked to the level of the German FAZ stock index in Dec. 1987, above par if index climbed and below if index fell. Noncallable. Fees 1⅝%.
Eurofima	DM 150	1994	2	100	—	Coupon will be 2% in first year and 6⅝% of redemption amount thereafter. Redemption amount will be linked to the level of the German FAZ stock index in Dec. 1987, above par if index fell and below if index climbed. Noncallable. Fees 1⅝%.
Ireland	DM 300	1993	6⅝	100	98.40	Noncallable. Fees 2¼%.
Denmark	FF 1,000	1991	8⅛	99¾	97.13	Noncallable. Fees 1⅞%.
European Investment Bank	ECU 100	1991	7⅛	100½	98.80	Noncallable. Fees 1⅞%.
Investors in Industry Int'l	ECU 50	1993	7⅞	101⅜	99.50	Noncallable. Fees 1⅞%.
Mortgage Bank of Finland	ECU 50	1992	7¾	101⅝	99.38	Noncallable. Fees 1⅞%.
British Columbia Province	C$ 150	1994	9⅝	101⅛	99.18	Callable and redeemable at par in 1990 when new terms may be set. Fees 1⅝%.
IKB Finance	Aus$ 40	1991	14	101¼	98.50	Noncallable. Fees 2%.
Pierson Heldring & Pierson	Aus$ 40	1989	14⅜	101⅛	99.00	Noncallable. Fees 1½%.
Victorian Public Authorities Finance Agency	Aus$ 50	1991	14¼	100¾	98.13	Noncallable. Fees 2%.
Coca Cola Financial	NZ$ 75	1989	16	101¼	99.50	Noncallable. Fees 1½%.
Aegon	Y 5,000	1991	7	101⅞		Redeemable in U.S. dollars at maturity at an exchange rate of 162.50 yen per dollar. Noncallable. Fees 1⅞%.
New Zealand	Y 40,000	1991	5⅛	101⅛	99.13	Noncallable. Fees 1⅞%.
Oesterreichische Elektr.-wirtschafts	Y 10,000	1993	5⅜	101½	98.63	Noncallable. Fees 1⅞%.
State Bank of Victoria	Y 20,000	1991	1	100½	—	Coupon will be 1% until 1988, and 7½% plus 0.1 times 6-month Libor thereafter. Noncallable. Fees 1⅞%.
Union Bank of Finland	Y 16,000	1992	5⅜	101½	99.50	Noncallable. Fees 1⅞%.
EQUITY-LINKED						
Magna Int'l	$75	1993	open	100		Coupon indicated at 6½% to 7%. Callable at 102 in 1991. Convertible at an expected 20 to 25% premium. Fees 2½%.
Noritz	$30	1991	open	100	98.75	Coupon indicated at 3⅝%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Nov. 19.
Sankyo Aluminum Industry	$40	1991	3¾	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 645 yen per share and at 163.50 yen per dollar. Fees 2¼%.
Sodick	$40	1991	open	100	102.50	Coupon indicated at 3⅝%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Nov. 21.
Toshiba Ceramics	$70	1991	open	100	100.00	Coupon indicated at 3⅝%. Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set Nov. 18.
Towa Real Estate Development	$40	1991	3¾	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 773 yen per share and at 162.30 yen per dollar. Fees 2¼%.
Toyo Aluminum	$35	1991	3¾	100	101.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 1,128 yen per share and at 162.95 yen per dollar. Fees 2¼%.
Maruyama Manufacturing	DM 40	1991	2½	100	99.25	Noncallable. Each 5,000-mark note with one warrant exercisable into company's shares at 389 yen per share and at 80.16 yen per mark. Fees 2¼%.

EUROBONDS: *Denmark Earning a Cynical Image*

(Continued from first finance page)

million of seven-year notes guaranteed by Connecticut General, a triple-A rated insurance company. Interest will be set at ⅛ point over Libor.

Robert Fleming issued $100 million of perpetual notes paying ½ point over Libor, but this was really a private placement taken by institutions that have long-standing relations with the merchant bank.

In the Deutsche mark sector, Eurofima raised 300 million DM by offering bull-bear bonds with a redemption value tied to the performance of the Frankfurt stock exchange index. A speculator who guesses right can make a maximum 50-percent gain while the loser is assured of forfeiting no more than 50 percent.

Eurofima itself bears no exposure as the performance of the two bonds cancel out, leaving the issuer obliged to repay only 300 million DM.

For the first year, while the outcome of the speculation is unknown, interest will be set at 2 percent. At the end of 1987, the rise or fall of the index from the average established Friday, Monday and Tuesday will be used to establish the repayment value.

From then until final maturity in 1994, interest of 6⅝ percent will be paid on the redemption value of the bonds.

Overall, bankers said the DM market was in a better mood than it had been for some weeks. The domestic market found a new footing with a 10-year government issue priced at par and bearing a coupon of 6½ percent.

This was more than the market had expected and the issue was well received, establishing a benchmark that was expected to stabilize the market.

With the currency appreciating once again against the dollar, ending the week at 2 DM and fueling new speculation about a cut in the discount rate, bankers said they expected foreign and domestic investors to resume buying bonds.

MURJANI: *Apparel Maker Seeks Instant Sensations*

(Continued from first finance page)

jani set out to upgrade the quality of the private label merchandise and to expand the types of products the company made. Soon Murjani was making everything from bicycles to spinning machines for textile mills, an overexpansion that slashed profits.

In the mid-1970s, Mr. Murjani spent several months in the United States seeking a garment that would turn the company's fortunes around.

Jeans, he decided, were "the single most important garment in the Western Hemisphere. But all the jeans makers had been producing jeans for women that were cut the same as jeans for men."

He directed his designers to develop a denim jean cut for a woman's figure. Gloria Vanderbilt did not design the resulting form-fitting jeans, but her name went on the pocket. When the line was offered in 1978, stores pre-ordered only 6,000 pairs.

But an optimistic Murjani produced 100,000 pairs and began a $1-million advertising campaign on a Tuesday night. On Wednesday, Bloomingdale's New York store sold out.

The experience made Mr. Murjani a firm believer in the power of Madison Avenue. He returned there in 1984 with Tommy Hilfiger, a 35-year-old free-lance designer who had no track record but "a certain something" that Mr. Murjani liked.

In the past 18 months, Mr. Murjani has spent $20 million to promote the designer, $3 million on advertising and the rest to establish Hilfiger stores.

Much of the money went into a provocative advertising campaign earlier this year. Throughout New York, billboards, buses and telephone booths featured a fill-in-the-blanks puzzle: "The 4 great American designers for men are: R– L–, P– E–, C– K– and T– H–."

Some members of the fashion world were infuriated by the presumptuousness of an unknown identifying himself with Ralph Lauren, Perry Ellis and Calvin Klein. Even Mr. Hilfiger called himself "a marketing vehicle."

The first Hilfiger store opened in in New York in August 1985. Mr. Murjani said that the store sold $1 million in the first 12 months, or more than $2,000 per square foot (about one-tenth of a square meter), a number that Mr. Barnard calls "extremely high."

There are now 5 Hilfiger stores and 85 department stores that carry the label.

When Coke representatives approached Murjani in October 1983, they were interested in only a modest line of apparel.

But "the idea grew as we talked about it," said Richard Hosp, vice president of marketing for Murjani. "Mohan said to me, 'This is a very big idea.'"

Consumer testing was positive. The next task was to find the proper image for the stores. Someone suggested a nostalgic ice-cream parlor motif, but the idea fell flat when it was tested in consumer focus groups. Consumers saw Coca-Cola in the context of the future, not the past.

Instead, Murjani opened 1,400 chrome and white-tile boutiques in department stores across the United States.

The first freestanding store was opened a year ago this weekend, next door to Tommy Hilfiger on Columbus Avenue in New York. Today there are five such stores nationwide, and another is scheduled to open in Stamford, Connecticut, within weeks.

The New York store, the flagship where new ideas will be tested, is a cross between a cafeteria and a video arcade. Passers-by can see the clothes through a wall of windows on a 25-foot (7.6-meter) video screen 24 hours a day, and on an electronic video machine outside.

Inside, three sides of the store are filed with floor-to-ceiling bins that hold 125 styles of Coca-Cola clothes. Video-touch terminals are situated at an entrance on the upper level. By touching the proper square on the screen, customers can view an item in any color, zoom in on a collar or pocket and get a rundown on prices, sizes, fabric and other vital statistics.

The next stop is the cafeteria-like selling floor, where a stainless-steel unit dispenses trays with the Coca-Cola logo. Shoppers slide the tray around the counter, place their orders, collect them on the tray and walk on through the line.

WORLD STOCKS IN REVIEW / *Via Agence France-Presse*

Amsterdam

Share prices on the Amsterdam exchange moved cautiously last week after major companies published financial results, stockbrokers Kempen & Co. said, noting that results were below expectations.

The lower dollar had a substantial negative effect on all internationals.

The ANP-CBS General Index rose 1.5 points Monday to 284.8, reflecting higher prices in the industrial sector. After climbing to 285 on Tuesday and 285.6 on Wednesday, the index fell to 282.6 on Thursday, partially as a result of an announcement that steel production in the European Community was down 6.5 percent in the first nine months.

A weaker dollar drove the index down to 280.3 on Friday, against 283.3 the previous week.

Total volume came to 4.153 billion guilders, down from 5.352 billion.

Frankfurt

Sentiment was depressed on the Frankfurt exchange in response to a 30-point drop on Wall Street on Thursday and a weaker dollar.

The Commerzbank index gave up 39.9 points to finish at 1,979.2. Volume of transactions came to 1.899 billion Deutsche marks, down from 2.149 billion the previous week.

In the automobile sector, Volkswagen, after reporting negative results on Tuesday, lost 32.5 DM to finish at 431.5. BMW was 10 DM weaker at 567, and Daimler gave up 23.5 to end at 1,262.5.

An exception was steel, where Mannesmann gained 4.1 DM to 193.6.

Hong Kong

Midweek buying triggered by corporate takeover rumors helped push Hong Kong's Hang Seng Index up 25.65 points to 2,244.03 last week.

The Hong Kong Index gained 19.65 points to settle at 1,423.03. Dealers attributed sluggish trading Monday and Tuesday to uncertainty as to whether more corporate moves were in the pipeline, after Rupert Murdoch took a stake in the South China Morning Post, the colony's leading English-language daily.

Rumors Wednesday and Thursday that Hutchison Whampoa was considering a takeover of Husky Oil, a Canadian company, and that Hong Kong Land, a property concern, was about to be purchased from abroad helped push the index up 43.39 points to close at 2,261.45 Thursday. But the barometer shed 17.42 points Friday.

Daily volume rose to 841.2 million Hong Kong dollars, against the previous week's 790 million.

Traders said they expected the Hang Seng Index to hover around 2,250 next week.

London

Growing anxiety over inflation and interest rates prompted widespread losses last week on the London Stock Exchange. Gilts fluctuated around their lowest levels of the year, with the weak tone in bond markets spilling over to equities.

The Financial Times industrial share index Friday closed 24 points down on the week at 1,293.2. The volume of transactions fell from 159,894 to 151,546.

Interim and third-quarter results from Unilever, J. Sainsbury, Storehouse, Plessey and Ultramar, although generally better than expected, failed to have much impact. Insurances eased after disappointing figures from Commercial Union and General Accident, but regained ground in response to Royal Insurance's bumper third-quarter results.

Economic indicators to be published next week include October public sector borrowing requirement and money supply data. Brokers generally agree that the former will reveal a surplus of around £500 million, while the M-3 money supply should show a rise of about 0.5 percent.

Milan

Milan stocks sulked last week, and the broadly downward trend was attributed by analysts to minimal activity by foreign and corporate investors before the year-end bookkeeping period.

The Comit Index closed at 743.49 points compared with 768.61 the previous week, and the Mediobanca declined to 332.67, from the previous week's 343.43.

Volume, too, was down, averaging 45 million shares a day from the previous week's 35 million.

Shares regressed in every sector. Fiat lost 3.7 percent, Olivetti was down 5 percent, and Iniziativa MeTa fell 8.5 percent, although its parent group, Montedison, held losses to 2.7 percent.

Analysts said they expected no major shift in trading patterns in the coming weeks.

Paris

Trading activity was stagnant on the Paris Bourse last week, with the CAC index over four days moving from 379.3 to 378.6. There was no trading Tuesday because of the Armistice Day holiday.

Investors continued to display great caution before the first major denationalization later this month. While some analysts maintain there is enough liquidity to absorb the shares offered, others point cite what they say has been the less than successful partial denationalization of the Elf-Aquitaine oil group.

But foreign investors have renewed their interest in the Paris Bourse. A British brokerage house this week cited a lower tax burden in France, the end of price controls, deregulation of financial markets and denationalization efforts as evidence that the French market offers attractive opportunities.

Trading totaled 32.077 billion francs, compared with 38.749 billion for five days the previous week.

Singapore

The Singapore stock market ceded to selling pressure throughout last week, and most shares finished sharply lower Friday for the fifth straight day.

Stop-loss selling by traders who could not take delivery of their scrips was seen as the main cause of the decline. Nervous investors preferred to unload their shares. Caution prevailed among buyers throughout the week, and the index closed Friday at 885.63, down nearly 9 points on the previous week.

Trading volume for the week shrank by 27 percent to 108 million units, while value dropped by 31 percent to 209 million Singapore dollars.

The industrial and commercial index shed 3.58 points to 238.01.

Tokyo

Share prices in the Tokyo continued to advance last week.

The key market barometer Nikkei average closed Friday at 17,390.50 yen, for a weekly gain of 316.86 yen. It had a modest 63.01-yen gain the week before.

The composite index of all common stocks also posted a 20.16-point gain to 1,430.34 points, compared with a 1.13-point advance the previous week. The market was closed Saturday for a regular monthly business recess.

Turnover was moderate, with an average 469.3 million shares changing hands a day, compared with previous week's 420.9 million shares. Value also increased moderately to 434.431 billion yen a day from 403.884 billion yen.

Speculative buying was the main force behind the advance, but some institutional investors also returned to the market.

Zurich

The fire Nov. 1 at a warehouse belonging to the chemical company Sandoz AG, which caused a toxic waste spill into the Rhine River, weighed heavily on Zurich stock trading last week.

The Credit Suisse index dropped from 548.3 points the previous Friday to 543.7.

One market source noted that many chemical firms, banks, industrials and finance companies lost ground. He said the trend this week would depend on further developments in the spill. Sandoz is expected to hold a press conference later in the week.

Sandoz bearer shares were down 750 to 10,100, and Sandoz nominals lost 370 to end the week at 4,800.

Union Bank of Switzerland gave up 50 to 5,870, while finance companies were also weaker, notably Electrowatt, which was down 40 to 3,350.

Bond Prices Stage Sharp Increase

By H.J. Maidenberg
New York Times Service

NEW YORK — Prices of long-term Treasury securities have increased, partly because falling yields encouraged retail investors.

But unusual events in the Chicago bond options market also contributed to a surge in prices Friday.

The new long Treasury bond, the 7.5-percent issue due in November 2116, was up 25/32, at 99 25/32, to

U.S. CREDIT MARKETS

yield 7.52 percent. That compared with 7.58 percent on Thursday and 7.64 percent a week earlier.

Dealers said that, even before December bond options expired at noon in Chicago, the credit markets had shown an upward bias. One reason was the softness in yields all last week, which gradually caused investors to despair of higher returns and resume buying.

"Just before the December options went off the board, locals found themselves short about 15,000 calls, mostly the expiring 98 contracts and, worse, the price of the underlying December futures was moving above 98," said James M. Keating, a trader at Drexel Burnham Lambert in Chicago.

"As the shorts rushed to cover their exposed positions, it also sparked buying in the New York cash bond market," he said.

The easing of yields also encouraged some large corporate borrowers to enter the credit market.

Niagara Mohawk Power offered $100 million of 10-percent, 30-year first mortgage bonds through a syndicate headed by Salomon Brothers and Merrill Lynch Capital Markets. The utility's bonds may not be redeemed before 1991 with funds borrowed at an annual interest rate of less than 10.092 percent.

Hershey Foods offered $100 million of debt, consisting of $50 million three-year notes with a 7-percent coupon that was priced by a Goldman, Sachs & Co. group to yield investors 7.027 percent, or 50 basis points more than comparable Treasury issues, and $50 million of 30-year debentures priced to yield 9.219 percent, or 140 basis points more than a like Treasury maturity.

U.S. Consumer Rates

	Nov. 14
Passbook Savings	5.50 %
Tax Exempt Bonds Bond Buyer 20-Bond Index	6.92 %
Money Market Funds Donoghue's 7-Day Average	5.30 %
Bank Money Market Accounts Bank Rate Monitor Index	5.51 %
Home Mortgage, FHLB average	10.43 %

Source: New York Times.

SELECTED U.S.A./O.T.C. QUOTATIONS

	BID	ASK
Bitter Corp.	3½	4
Chiron	22½	23
GoodMark Foods	11⅝	12¼
MAG Holdings	4½	5⅛
Spectradyne	17¼	17½

WITH COMPLIMENTS OF CONTINENTAL AMERICAN

These are indicative prices as of Nov. 13, 1986

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Floating Rate Notes
due November 1991

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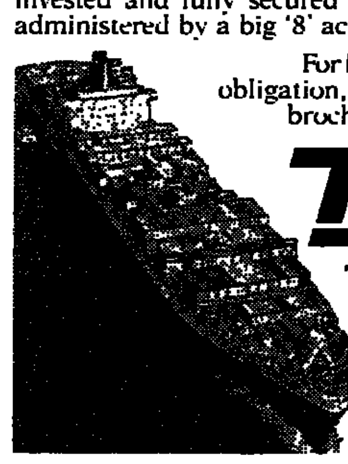

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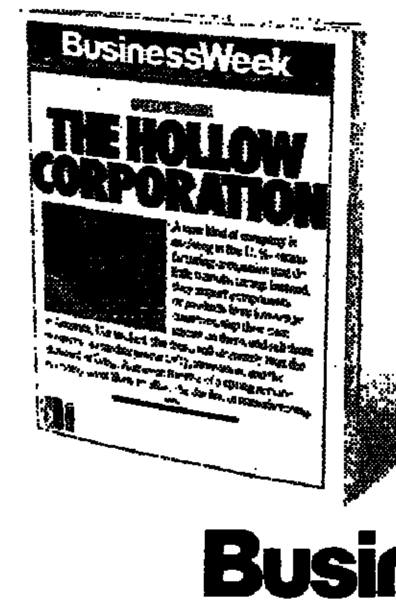
One look at the chart on the right shows you that Business Week dominates the other U.S. business magazines by every meaningful measurement.

Take target audience coverage. We deliver more readers of virtually every targeted market segment. At a lower cost per thousand.

In fact, no matter how you feed these questions into your computer, Business Week emerges as the most effective advertising medium in the business magazine field. We give you more timeliness, better efficiencies, greater reach, more geographic options, more circulation.

So when you advertise in the U.S., the world's largest market for goods and services, go with the leader.

Business Week.



COMPARISON CHART

		BUSINESS WEEK	FORBES	FORTUNE
N.A. CIRCULATION		✓ 788,210	729,523	626,258
TOTAL READERS		✓5,713,000	2,938,000	3,624,000
TARGET AUDIENCE COVERAGE Top Management:	% Coverage	✓ 13.6%	7.9%	7.2%
	4/C CPM	✓ $83.79	$124.33	$147.80
Top Management IEI $50,000+:	% Coverage	✓ 17.1%	11.2%	9.5%*
	4/C CPM	✓ $141.82	$186.49	$237.93
Top & Middle Management 1000+ Employees:	% Coverage	✓ 14.5%	9.2%*	8.3%*
	4/C CPM	✓ $126.07	$171.47	$205.37
Top & Middle Management Under 1000 Employees:	% Coverage	✓ 8.7%	5.5%	5.1%
	4/C CPM	✓ $74.17	$101.92	$117.18
Managers/Administrators Purchase Decision Makers: $50,000+:	% Coverage	✓ 15.0%	7.7%	7.7%
	4/C CPM	✓ $89.89	$151.38	$163.26
READERS IEI $35,000+:	% Coverage	✓ 11.7%	6.5%	6.1%
	4/C CPM	✓ $23.58	$36.81	$41.73
IEI $50,000+:	% Coverage	✓ 14.9%	10.1%	7.7%
	4/C CPM	✓ $56.81	$72.22	$102.68
College Grad. IEI $50,000+:	% Coverage	✓ 20.3%	13.8%	11.4%
	4/C CPM	✓ $71.88	$91.13	$118.96
DEMOGRAPHIC/REGIONAL EDITIONS		✓ 15	0	11
TIMELINESS		✓ Weekly	Bi-Weekly	Bi-Weekly
B/W CLOSING		✓ 4 weeks	5 weeks	6 weeks

Source: Spring 1986 MRI, ABC 12 Month Average—1985
*Caution: Projection relatively unstable because of small base.
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BusinessWeek

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NASDAQ National Market

OTC Consolidated trading for week ended Friday. Nov. 13

A

			Sales in 100s	High	Low	Close	Net Ch'ge
ABS	.60	3.4	11	18¼	17½	17½	
AG Tel			45	5½	4½	4⅝	+ ¼
ADC s			1561	21	20	20¾	+ ½
AEC	.32	3.2	29	10½	9⅞	10	— ¼
AEL			1017	13	11¼	12½	+ ¾
AEP			266	7¼	6½	7	
AIFS			159	9½	9	9	— ½
AIM Tel			915	4½	4¼	4¼	— ¼
ALC Cm			1335	4⅞	3⅞	3⅞	— ½
ARC Inl			455	4⅛	3⅞	3⅞	— ⅛
ASK			8538	13¼	12¼	13¼	+ ½
AST			2991	12½	11¼	11⅞	+ ⅜
AT&E			2826	18⅞	16⅝	16⅝	—1⅛
ATE			31	6¼	6⅛	6⅛	
ATI			948	9⅝	8⅝	9¼	+ ¼
AW A			334	3⅝	3	3⅜	+ ⅛
AarnRt			328	15¼	14½	14½	— ½
AcaJoe			2583	2⅛	1⅞	1⅞	— ½
Acadin			1715	2½	2⅛	2⅜	+ ⅛
Acelrin			778	10½	9⅞	9⅞	— ⅛
AcuRay	.28	1.5	1089	19⅝	19⅛	19¼	— ⅛
Aceto	.14r	.8	43	17½	17	17	
ACMAT			151	15¾	14½	14⅝	—1⅛
AcmeSt			1466	10½	10	10½	+ ½
Actvsn			2525	1⅞	1⅝	1⅝	— ⅛
Actmed			270	30½	29½	29½	— ¾

Wall Street Review

AMEX Most Actives

Vol.		High	Low	Last	Chg.
Wickes	88091	4⅝	4⅜	4½	
LorTel n	26677	23½	19⅜	20⅜	— ¾
Atari n	14340	15¼	11⅞	13⅞	+1⅞
ICH s	13853	25⅝	22¼	23½	—2⅛
DataPd	12044	13⅛	12⅞	12⅞	— ½
TexAir	11319	38⅞	36⅜	37⅜	— ¾
HmeGp	10974	19⅞	17⅝	18¼	—1⅜
Husky g	9936	7½	6½	7¼	+ ¾
EchoB g	9924	22⅜	21⅝	22¼	+1⅛
WangB	8493	12	11½	11⅝	— ⅛
BAT	8387	6⅞	6½	6⅝	— ⅛
A xon pr	8232	56	55½	55⅝	— ¼
FAusP n	7889	8⅝	8⅜	8½	
Amdahl	7236	22¼	21½	21¾	
ICH pf	6995	25	24	24⅜	— ⅜
HmeSh s	6068	40½	35½	38¾	+2⅝
PhRLD	5786	13⅝	11⅝	12½	—1⅛
Alza s	5534	20¼	17⅞	18⅝	—1⅜
AM Intl	5405	6¼	5⅝	6	— ¼
Hasbr s	5334	24	23⅝	23⅞	+ ½
HmHar	5168	16⅝	15⅝	16⅛	— ¼
NYTime s	4698	36⅝	35¼	35½	—1
ImpOil g	4596	35⅝	34½	34⅞	+ ⅜
PlyGm s	4470	12	10⅝	11½	+1⅛
Centrst	4290	11¼	10⅝	11	— ⅛

NYSE Most Actives

Vol.		High	Low	Last	Chg.
NiaMP	189437	18⅞	18½	18⅝	
Gillet s	175440	68⅛	52⅝	67⅜	+13½
Goodyr	127579	48	46⅝	47⅛	— ⅛
UCarb s	100429	24	23	23⅝	+ ⅛
ArchD s	99493	23⅞	21	22⅛	+2
EKodk	96032	68	61⅝	66⅛	+4
USX	91641	24⅝	23⅛	23⅝	— ½
AT&T	79022	26	24⅜	25	— ¼
PhilPet	73685	11⅝	10⅝	11⅛	+ ⅜
Mobil	73591	40½	38	40⅜	+1⅜
Lockhd	73063	55⅛	44⅝	53⅞	+10⅛
Holiday	72605	81	71	73⅜	+2⅝
Trnwld s	69895	45⅞	39⅛	40⅝	— ⅜
HuttEF	60282	47¼	43	44⅝	—4
BergWa	58635	44⅝	38⅞	42⅝	+3⅜
BallyMf	56687	21⅜	16⅝	20⅝	+3⅜
Stoley	55104	34⅝	30⅞	32	+1⅛
IBM	53104	124⅝	119⅝	121⅝	— ⅛
BethSH	50130	5⅝	4⅝	5½	— ¼
Navan n	48633	15⅝	14⅝	15	— ½
ColAik	46992	52⅝	52	52⅜	+1⅛
Unocal	46982	27⅞	24⅝	26⅝	+1⅛
ConsEd	44554	48½	47⅞	48	+1⅛
Schimb	43778	34⅛	32⅝	33⅞	
Pandck n	43126	24⅝	15⅞	24½	+8⅞

AMEX Diaries

	This Wk	Last Wk
Advanced	325	372
Declined	409	361
Unchanged	189	189
Total Issues	923	922
New Highs	30	48
New Lows	45	41

NYSE Diaries

	This Wk	Last Wk
Advanced	857	1210
Declined	1089	755
Unchanged	268	249
Total Issues	2214	2214
New Highs	140	236
New Lows	48	43

AMEX Sales

	Sales Vol.
Total for week	54,318,000
Week ago	53,160,000
Year ago	45,080,000
Jan 1 to date	2,616,248,000
1985 to date	1,756,878,000
AMERICAN BONDS =	
Total for week	16,648,000
Year ago	18,018,000

NYSE Sales

	Sales Vol.
Total for week	736,948,000
Week ago	792,220,000
Year ago	652,200,000
Two years ago	364,010,000
Jan 1 to date	31,007,414,830
1985 to date	23,626,820,000
1984 to date	20,584,260,000

Mutual Funds

Figures as of close of trading Friday Nov. 13

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

(Continued on next page)

NASDAQ National Market

OTC Consolidated trading for week ended Friday.

(Continued)

Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]				

EUROPEAN COMMUNITY

EC Commission Seeks to Slash Farm Surpluses

By Peter Maass

International Herald Tribune

BRUSSELS — The European Community's executive body and parliament proposed radical steps last week for slashing the community's farm surpluses, signaling an intensified effort to reform the Common Agricultural Policy.

The European Commission proposed that dairy quotas be cut by 6 percent by 1988, nearly twice the reduction that was approved by EC farm ministers in April. At a meeting in Strasbourg, the commission also called for a tightening of technical loopholes that have allowed many farmers in EC countries to skirt the quotas.

Community farm ministers are to discuss the proposals at a two-day meeting that starts Monday. Opposition is expected to be fierce, but commission officials say that something must be done to control the agricultural surpluses.

The ministers "are entitled to expect to regain control over milk policy, which is in danger of running completely out of hand," said Frans Andriessen, the EC farm commissioner.

The commission has been supported in its effort by the European Parliament, which traditionally had been friendly to the community's powerful farm lobby. The parliament says it wants a 5-percent cut in the dairy quotas, which is also considered radical.

The parliament, voting on the first reading of the community's 1987 budget, also called for a special $2.6-billion fund to eliminate most of the EC's farm stocks. The money would be amassed through emergency contributions from EC members, excluding Spain and Portugal.

The fund would underwrite cheap sales of EC commodities, which could cost nearly $4 billion dollars to store next year, on domestic and international markets, officials said. It also would finance programs for direct give-aways and cover the destruction of some aging products in storage, they said.

EC finance ministers are expected to attack the radical farm measures when they meet to discuss the parliament's 1987 budget later this month.

This could lead to another standoff with the parliament, which is to have its second reading of the budget in December.

"The budget is the means of showing the type of Europe we want," said Yvette Fuillet, a French Socialist member of the parliament. "And it is not by financing incessantly agricultural spending that we will get there."

A Crackdown Is Sought On Pirated Videotapes

The EC needs a "fresh impulse" in its crackdown on sales of pirated videotapes, the commissioner for culture and communication says.

Addressing EC culture ministers last week, Carlo Ripa di Meana warned that a "dangerous" outbreak of video piracy in the community had led to "a serious fraud against authors, creators, artists and the productive capacity of the audiovisual industry."

Mr. Ripa di Meana asserted that organized crime networks had distributed many of the pirated videotapes, and he called for heightened cooperation between customs authorities in EC countries.

Pirated videotapes account for 60 percent of sales in West Germany, 40 percent in Italy, 15 to 25 percent in France, and 15 percent in Britain, Mr. Ripa di Meana said.

He estimated that illegal video sales totaled $200 million annually in the EC. As the number of video recorders in the community passes the 25-million mark, he warned, the economic impact of piracy will grow.

Panel Sees 1,000 Deaths From Chernobyl in EC

The European Commission has issued its final judgment on the Chernobyl nuclear disaster, reporting that the effect was not as severe as it once seemed.

In a report to the European Parliament, Industry Commissioner Karl-Heinz Narjes said that the disaster at the Soviet power plant would cause about 1,000 people in EC countries to die from cancer over the next 70 years.

Given the number of cases expected, costly medical studies are not warranted, he added.

The accident spread a radioactive cloud over Europe in May, damaging crops and triggering widespread concern over the effects on human health.

Mr. Narjes said that a similar nuclear accident in the community would be highly unlikely, mainly because the EC's reactors are judged to be safer than those at the Soviet plant.

However, the commissioner warned that the Chernobyl disaster "re-emphasized" the importance of having properly trained technicians and adequate containment facilities at nuclear reactors in the community.

First EC Tennis Trophy Goes to an American

Nearly 30 years after its founding, the EC is learning to mix business and pleasure.

The first "European Community Championship" tennis tournament was held last week in Antwerp. The tournament, formally called the European Championship, changed its name this year after receiving the commission's patronage.

There had been some grumbling in commission hallways that an American-style commercialism would pervade a distinguished European institution. But Jacques Delors, president of the EC commission, was on hand in Antwerp to present the first trophy.

The winner of the EC championship was an American, John McEnroe, and the runner-up was Miloslav Mecir of Czechoslovakia. But the EC did score a type of moral victory: The prize money was denominated in European currency units.

American Exchange Options

Figures as of close of trading Friday. Nov. 13

Option & price		Calls		Puts	
[illegible]					

Total volume 333,778

Open Interest 3,728,349

r—Not traded. s—None offered. o—Old.

Chicago Exchange Options

Figures as of close of trading Friday. Nov. 13

Option & price		Calls		Puts	
[illegible]					

r—Not traded. s—None offered. o—Old.

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Treasury Bonds

Nov. 14

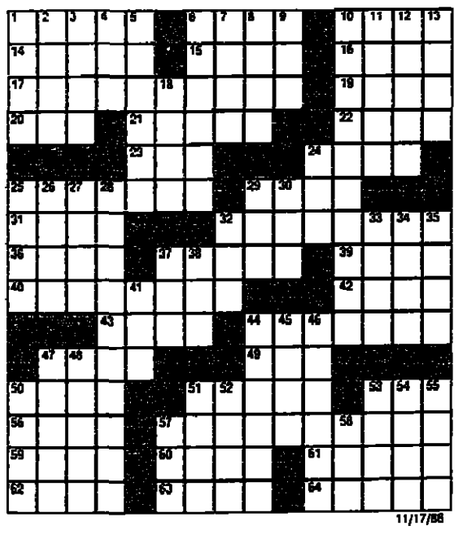
Maturity	Close Bid	Ask	Yield	Wk-ago Yield
31.10.88	100 1/32	100 5/32	5.30	6.31
15.11.89	99 22/32	99 24/32	6.48	6.52
30.9.90	100 5/32	100 7/32	6.69	6.80
11.15.91	98 24/32	98 26/32	6.79	6.82
15.10.93	100 4/32	100 6/32	7.09	7.19
15.11.96	99 18/32	99 20/32	7.26	7.35
15.2.06	115 11/32	115 15/32	7.81	7.99
15.11.16	99 24/32	99 26/32	7.52	7.62

Source: Salomon Inc.

Filipinos Set Debt Deadline

Agence France-Presse

MANILA — The Philippines will declare a unilateral moratorium on debt payments if an advisory committee for its creditor banks fails to agree on a loan restructuring package by Jan. 1, Finance Minister Jaime Ongpin said Saturday.



11/17/88

ACROSS

1 Theme
6 Strap
10 Clobber
14 "All — by the telephone"
15 Sheltered on the Sargasso
16 Enjoy
17 Coveted award
19 Employer
20 Posed
21 Inventor Howe
22 Essayist's pen name
23 Pub drink
24 Frank
25 Prattled
29 River in N. Ireland
31 Coin for Zeno
32 Sudanese province or stream
36 Lima's land
37 Regular winner at Reno
39 Like certain cats
40 Four-time Super Bowl winners
42 Son of Troy's founder
43 Father
44 Full to the gills
47 Nichols or Wallace
49 Mimic
50 Secrete, in a way
51 Courtyards
53 Goof
56 Russian sea
57 Dairy item
59 Pro — (proportionally)
60 Corn units
61 Muse or Dryad
62 Gobs
63 Shade
64 "— is an island": Donne

DOWN

1 What sports pick up
2 Jar
3 Sulk
4 Chemical suffix
5 Breakfast food
6 Indulged excessively
7 Where Napoleon wasn't "able"
8 Composer Janacek
9 Address number for Thatcher
10 Redact
11 Passageway
12 Length of yarn
13 Wife or sister of Zeus
18 He, to Hadrian
24 Four fourths
25 Conks
26 Help a hood
27 Drill
28 Economic regulation
29 Raised RR's
30 Regret
32 Stopper in an Inge play
33 Hercules' captive
34 Yokel
35 Otherwise
37 Beatles' "And I Love —"
38 What miners might strike
41 Golf position
44 Most unusual
45 "Paradise Lost," e.g.
46 Her mate is "proud"
47 Wall painting
48 Furious
50 Excludes
51 Russian range
52 Revolve
53 Part of a baseball
54 Movie dog
55 Exploited laborer
57 Tout's suggestion
58 Leandro's amorosa

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DENNIS THE MENACE

"THIS IS ANOTHER WAY TO SAY 'I LOVE YOU, DADDY.'"

JUMBLE® THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

RYVEN

WHISS

TURIAL

SCYTIK

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: ____ THE ____

(Answers tomorrow)

Friday's | Jumbles: BIPED MOTIF GOODLY FRUGAL
| Answer The insomniac was advised to sleep on the edge of his bed in order to do this without delay—"DROP OFF"

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Algarve	19	66	10	50	fr
Amsterdam	8	46	5	41	cl
Athens	17	63	8	46	fr
Barcelona	20	68	14	57	c
Belgrade	17	63	2	36	fr
Berlin	9	48	7	45	c
Brussels	10	50	5	41	c
Bucharest	—	—	—	—	na
Budapest	12	54	3	37	fr
Copenhagen	9	48	5	46	c
Costa Del Sol	17	63	9	48	fr
Dublin	12	54	10	50	fr
Edinburgh	12	54	9	48	fr
Florence	15	59	6	43	cl
Frankfurt	13	55	7	45	cl
Geneva	7	45	1	34	fr
Helsinki	4	39	1	34	r
Las Palmas	26	68	18	64	cl
Lisbon	17	63	9	48	fr
London	12	54	6	43	c
Madrid	13	55	6	43	cl
Milan	10	50	3	46	c
Moscow	0	32	-5	23	c
Munich	14	57	2	36	fr
Nice	17	59	14	57	c
Oslo	3	37	0	32	fr
Paris	12	54	8	46	fr
Prague	9	48	3	37	cl
Reykjavik	2	36	1	34	c
Rome	20	68	7	45	cl
Stockholm	7	45	5	41	c
Strasbourg	18	64	6	43	fr
Venice	11	52	11	52	c
Vienna	8	46	5	41	cl
Warsaw	7	45	0	32	c
Zurich	12	54	4	39	fr
MIDDLE EAST					
Ankara	10	50	-6	21	fr
Beirut	—	—	—	—	na
Cairo	21	70	14	57	cl
Damascus	18	64	-2	28	fr
Istanbul	11	52	9	48	c
Jerusalem	14	57	6	43	cl
Tel Aviv	28	68	6	43	cl
OCEANIA					
Auckland	—	—	—	—	na
Sydney	21	70	19	66	c

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	36	86	23	73	c
Beijing	3	41	-3	27	c
Hong Kong	19	66	17	63	c
Manila	27	81	24	75	cl
New Delhi	28	82	19	66	fr
Seoul	6	43	0	32	fr
Shanghai	13	55	10	50	r
Singapore	32	90	27	81	t
Taipei	20	68	19	66	r
Tokyo	14	57	10	50	
AFRICA					
Algiers	16	61	11	52	r
Cape Town	27	81	—	—	fr
Casablanca	17	63	10	50	cl
Harare	32	72	15	59	fr
Lagos	28	82	24	75	cl
Nairobi	25	77	11	52	cl
Tunis	21	70	18	64	cl
LATIN AMERICA					
Buenos Aires	27	81	—	—	c
Caracas	—	—	—	—	na
Lima	21	70	18	64	c
Mexico City	25	77	6	43	pc
Rio de Janeiro	25	77	—	—	fr
NORTH AMERICA					
Anchorage	0	32	-2	28	pc
Atlanta	18	64	7	45	c
Boston	10	50	2	36	pc
Chicago	8	46	-2	28	pc
Denver	17	63	0	32	fr
Detroit	7	45	0	32	c
Honolulu	31	88	23	73	fr
Houston	25	79	15	59	c
Los Angeles	27	81	14	57	pc
Miami	29	84	22	72	pc
Minneapolis	6	43	-4	25	pc
Montreal	0	32	-1	30	sf
Nassau	30	86	23	73	pc
New York	13	55	4	39	pc
San Francisco	20	68	11	52	fr
Seattle	9	48	5	41	r
Toronto	3	37	0	32	cl
Washington	11	52	4	39	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

MONDAY'S FORECAST — **CHANNEL:** Choppy. **FRANKFURT:** Showers. Temp. 11 — 7 (52 — 45). **LONDON:** Showers. Temp. 11 — 6 (52 — 43). **MADRID:** Fair. Temp. 13 — 6 (55 — 43). **NEW YORK:** Partly cloudy. Temp. 11 — 4 (52 — 39). **PARIS:** Rain early. Temp. 12 — 8 (54 — 46). **ROME:** Fair. Temps. 18 — 10 (64 — 50). **TEL AVIV:** Hot. **ZURICH:** Fair. Temp. 10 — 4 (50 — 39). **BANGKOK:** Mist. Temp. 31 — 22 (88 — 72). **HONG KONG:** Rain. Temps. 18 — 16 (64 — 61). **MANILA:** Fair. Temps. 31 — 23 (88 — 73). **SEOUL:** Mist. Temps. 4 — -2 (43 — 28). **SINGAPORE:** Fair. Temp. 33 — 25 (91 — 77). **TOKYO:** Cloudy. Temps. 15 — 10 (59 — 50).

SPORTS

SPORTS BRIEFS

Long Shot Takes Washington International

LAUREL, Maryland (AP) — Lieutenant's Lark, the second-longest shot in the field, won the 35th Washington, D.C. International Saturday on yielding turf at Laurel Race Course.

It was the biggest upset in the history of the race. The colt paid $76.60, surpassing the $64 mutuel paid when Admetus won in 1974.

Brought in from Santa Anita after a dull ninth-place finish in the Breeders' Cup Mile, Lieutenant's Lark raced in front virtually all the way and won by a neck over the fast-closing Dance Of Life.

Then came favored Palace Music, Double Bed, Teleprompter, Southjet, Premier Mister, Korab, Royal Treasurer, Wollaston and Derby Wish. The morning line favorite, Broad Brush, was scratched Saturday morning.

Davis Wins Australian Open on Closing 68

MELBOURNE (UPI) — Rodger Davis shot a four-under-par 68 to win the Australian Open golf tournament on the final hole here Sunday. Davis beat fellow Australians Ian Baker-Finch, Graham Marsh and Bob Shearer by a stroke.

Baker-Finch, the leader through the first three rounds, bogeyed the 16th hole, double-bogeyed the 17th and had a 60-foot (18.24-meter) putt on the 18th for a chance to tie. His putt drifted wide. Shearer also missed a final-hole putt that would have tied Davis; Marsh bogeyed Nos. 17 and 18.

Two World Weightlifting Records Are Set

SOFIA (AP) — Heavyweight Nicu Vlad of Romania set a world record for the snatch, 250.38 kilograms (552 pounds), at the world weightlifting championships here Friday night. Overall, Vlad lifted 442.26 kilos.

On Saturday, Yuri Zaharevich of the Soviet Union lifted a total of 449 kilos for a combined world heavyweight record.

New Agreement Keeps Mets in Same Hands

NEW YORK (AP) — Doubleday & Co. signed an agreement late Friday to sell its 95 percent share of the New York Mets to a newly created firm controlled by Nelson Doubleday and Fred Wilpon for $80.75 million.

Doubleday had owned 95 percent of the Mets and Wilpon 5 percent; they will evenly split their majority share of the club. The new arrangement keeps the team from becoming part of the property of Bertelsmann AG, the West German publishing house that recently purchased Doubleday & Co. The sale must be approved by the American and National Leagues, and by the baseball commissioner's office.

Quotable

● Martina Navratilova, when asked whether she had ever given any tips to 16-year-old Gabriela Sabatini: "Mike Ditka doesn't tell Tom Landry how to beat the Bears." *(LAT)*

3 Stars Seeking Another Season in the Sun

By Dave Anderson
New York Times Service

NEW YORK — Pete Rose agreed to remove himself from the Cincinnati Red roster for now, but he'll be eligible to return on May 15 at age 46.

Tom Seaver is trying to negotiate a new contract with the Boston Red Sox that will let him pitch again next season at age 42.

Reggie Jackson is now a free agent, hoping to be signed by the Yankees or the Oakland A's for next season, when he'll turn 41 in May.

At first, the temptation is to question why these three future Hall of Famers persist in lingering in baseball; sooner or later, each must stop playing.

But the answer is as obvious as Rose's 4,256 hits, Seaver's 311 victories and Jackson's 548 home runs. After having had so many good years, each is entitled to believe that he has another good year in him. Another year that at least is better than this year was.

In 10 of his 24 seasons, Rose had at least 200 hits. Nobody else in baseball history has ever done that. At one time he seemed to think that he would just go on getting 200 hits every season. One day nearly a decade ago, he was figuring out when he would pass Ty Cobb's record, counting the seasons in increments of 200 hits. But just then somebody mentioned that, as he got older, some year he might get only 150 hits. He looked up quickly, half smiling and half sneering.

"Only 150 hits?" he said.

This year the Reds' manager and part-time first baseman had only 52 hits and batted only .219. His last major-league hit might have been a line drive single to left field off Greg Minton of the San Francisco Giants on Aug. 14. Three days later, he struck out against Goose Gossage of the San Diego Padres for what might turn out to have been his last time at-bat.

If another manager were to decide that Rose didn't deserve to be on the roster, that might be easier for him to accept. But as Cincinnati's manager, it's his decision. And until the day he dies, Peter Edward Rose will believe that he can grab a bat and get a hit off any pitcher. And after 4,256 hits, who's to say he couldn't?

Bill Boettie/AP

Seaver: "He can still pitch."

Whatever Rose's decision on May 15 or thereafter, it won't be influenced by money. Whether he plays or not next season, he will collect his $800,000 salary. And whether he plays or not in 1988, his salary will drop to $500,000, although bonuses for winning the National League West, the pennant and the World Series could restore it to $800,000.

If the Red Sox had exercised their 1987 option in Seaver's contract, they would have had to pay him more than $1 million next year. Instead, they released him and he declared for free agency.

Seaver now is eligible to negotiate a new contract with the Red Sox for less money, which is what the Red Sox front office wants, just as John McNamara wants Seaver on the Red Sox roster in spring training.

"Tom has a place here," the Red Sox manager said during the World Series. "He can still pitch."

Seaver also thinks he can still pitch, saying, "I want to play next year, definitely."

Over the last three months of the season Seaver pitched better than his 5-7 record for the Red Sox after a shaky 2-6 start with the Chicago White Sox. But a damaged right knee that recently required arthroscopic surgery kept him off the Red Sox postseason roster. What the Red Sox will never know is: Would they have won the fourth game of the World Series for a 3-1 lead over the Mets if Seaver had started instead of Al Nipper?

During the last two Series games at Shea Stadium, the right-hander once considered to be the Met "franchise" sat helplessly above the steps at the far end of the Red Sox dugout.

Jackson was almost as helpless during the American League championship series, although he was the California Angel cleanup hitter. But he batted only .192 with four singles and one double. With the Angels trailing, 8-1, in the eighth inning of the last game, Mr. October made what could have been his last stand. His face clenched with the awareness that he might not ever swing again, he was struck out by Calvin Schiraldi, swinging as only he can.

"My next-to-last at-bat," he said, "should be a strikeout or maybe a pop-up to right field so the people can say, 'Reggie just missed that one,' but my last at-bat, that's the easiest guess in the whole world."

What else but a home run? Even though he hit 18 homers this year, will the Yankees or the A's or some other team grant him the opportunity to go out that way?

"Ted Williams did it the right way," he said. "I've seen film of him hitting that home run in Boston, and that was it. He waved when he crossed home plate."

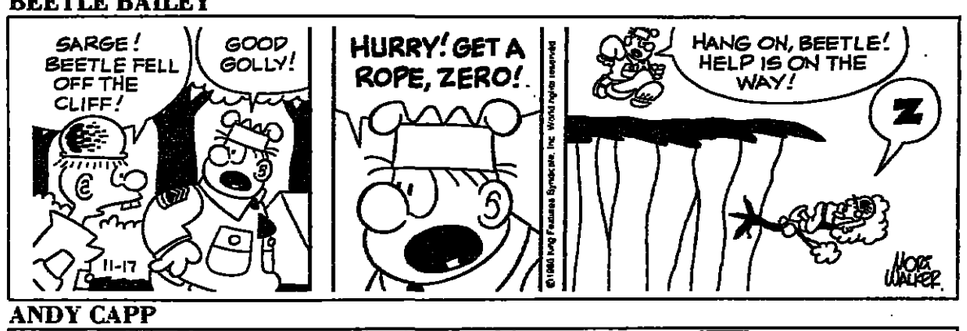
Teddy Ballgame hit 29 homers and batted .316 his last season, 1960, when he turned 42 in August after having hit only 10 homers and .254 the year before. Stan Musial batted .330 with 19 homers at age 41 in 1962 after having batted .255 the year before. Among the older pitchers, Warren Spahn had a 23-7 record with a 2.60 earned-run average at age 42 in 1963 after having slipped to 18-14 the year before.

Now, a quarter of a century later, Rose, Seaver and Jackson hope to do what Williams, Musial and Spahn did — have another good year when most other people were thinking they should be waking up to the first day of the rest of their lives.

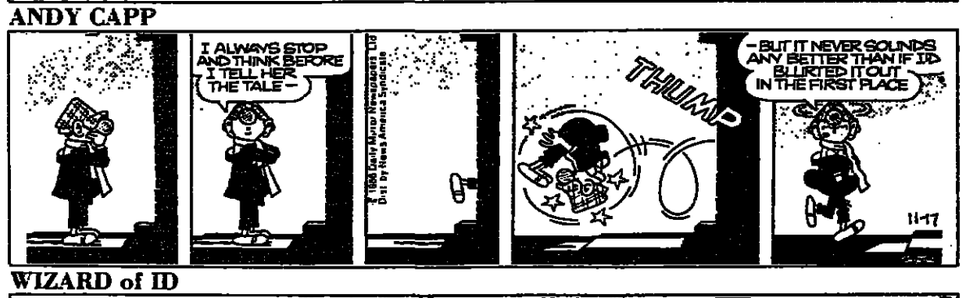
PEANUTS

BLONDIE

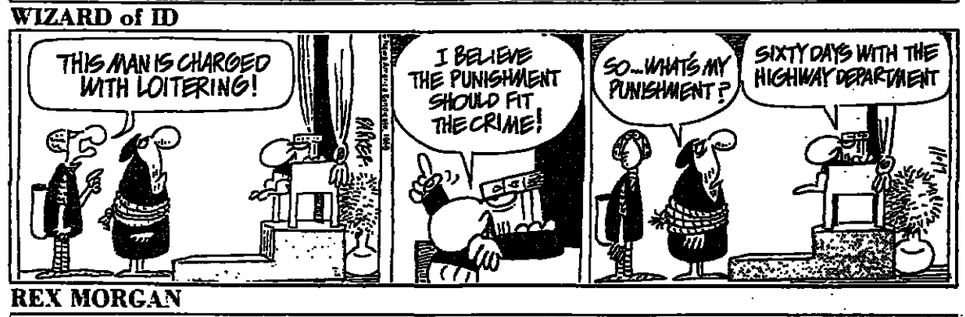
BEETLE BAILEY



ANDY CAPP

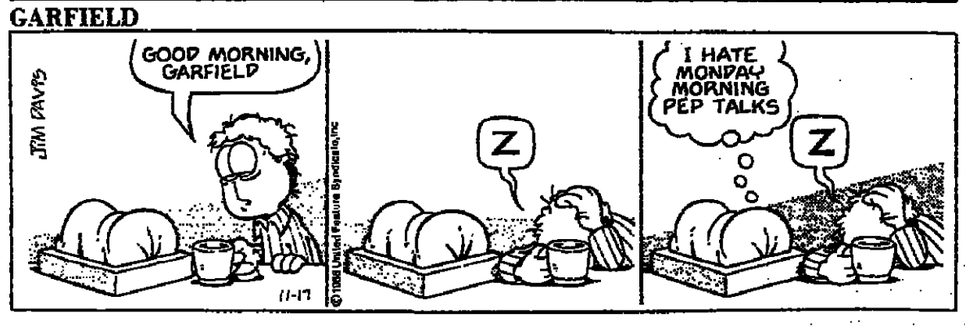


WIZARD of ID



REX MORGAN

GARFIELD



BOOKS

MACHINERY OF THE MIND: Inside the New Science of Artificial Intelligence

By George Johnson. 336 pages. $19.95. Times Books, 130 Fifth Avenue, New York, N. Y. 10011.

Reviewed by Jerry Pournelle and Barbara Clifford

ARTIFICIAL intelligence, or AI, is a major in-group concept, but few know what it is. George Johnson's "Machinery of the Mind" tells what AI is — and is not — and makes it interesting. The book is the best general survey we have yet encountered, flawed only at the end by a couple of pages of gratuitous and irrelevant conclusions about AI and defense.

Any look at AI must begin with the fundamental fact that it is neither new nor a science. AI is a flashy name for a grab bag of engineering disciplines whose common feature is a heavy reliance on advanced mathematics and the architecture of computers. Despite the subtitle "Inside the New Science of Artificial Intelligence," Johnson knows this. He describes work that ranges from early automated language translation attempts through visual-recognition experiments to expert systems.

Despite its lack of unity, AI is important: Look at the money it gets. In university, government and private laboratories there are major projects in all the disciplines under the AI umbrella: vision, speech recognition, robotics, knowledge representation, computer architecture, even art and music. Some produce such results as factory machines that "see," sort parts and inspect finished goods. "Expert systems" help doctors make diagnoses and prospectors find oil. Computer programs that can modify themselves outdo humans in contests of analytical skill.

As one researcher says, AI is "the errant stepson . . . come home to take over the family business." With legitimacy (if not quite respectability) achieved, founding figures such as Marvin Minsky of the Massachusetts Institute of Technology and John McCarthy of Stanford University can continue laying the philosophical foundations that will let the term "AI" retreat into its proper place in computer science, leaving the stepchild disciplines to make their own way in the world.

This will not settle the fundamental disagreements among AI scientists. Should we try to fit human knowledge into computers, or study how human experts store information? Will reductionism yield more useful results than holistic methods? Which comes first — theory or application? Understandably, Johnson leaves these questions open, as he does many of the arguments he describes.

Not that he lays any claim to being analytical. Through interviews and anecdotes he simply reports the events that have shaped and are shaping the various fields of AI. He has done his homework, and gives readers the background needed to discuss the subject knowledgeably. Johnson's style is easygoing and uncondescending; his examples and similes are apt and easy to grasp.

He describes well and entertainingly what is being done under the name AI. What neither he nor anyone else can do is answer the larger questions: Can a computer program — a nonsapient formal construct, a system for manipulating symbols — be aware of itself? Can a set of instructions for a machine ever really know what it is doing? Although AI researchers are divided on these questions, there is value in their squabbles.

The benefit of AI research ultimately may be that it helps us find out more about the workings of the human brain. In that sense, the phrase "machinery of the mind" begs an important question.

For as long as people have been thinking about the brain, they have described it in terms of the latest technology. Aristotle did it; Descartes did it. Now, while Minsky views mind and intelligence as a series of tiny subprograms, neuroscientists such as Eric Schwartz at New York University see the brain as a network of discrete functional structures — tens to hundreds of layers of interconnected information maps.

It is an important distinction that leads to the question: Does structure govern function? And that in turn leads to the major scientific question that lies at the heart of AI research: Can "intelligence" be independent of the hardware on which it runs? Must we duplicate the human brain, or are there "laws of thought" that can be programmed in a computer?

AI is important beyond science because it raises questions that resonate in the human spirit. If we can create intelligence, what created us? Hardly new questions, but AI and its extensions may bring us closer to answers than we've ever been.

If intelligence is an analyzable series of actions, then we should be able to re-create it by replicating those actions. The paleontologist and author Stephen Jay Gould would place man not far above the cockroaches, but don't creatures who can themselves create intelligence belong far higher than that? Some theologians speculate that God intended humans to be co-creators of the universe. We may, finally, be learning how.

Jerry Pournelle, a science and science fiction writer who is a columnist for Byte and Infoworld magazines, and Barbara Clifford, a research consultant in Silicon Valley, wrote this review for The Washington Post.

Solution to Friday's Puzzle

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11/15/86

BRIDGE

By Alan Truscott

ONE of the higher arts of defensive play is the creation of problems for the declarer. If he seems to be rolling home in his contract, a defender who can give him something to think about often deserves applause.

A case in point is the diagramed deal. South has maximum values for his overcall of one spade, and takes a shot at game when his partner raises.

Three rounds of clubs are led and South ruffs the third round with the nine. He is a little nervous until West follows suit, a worry he would not have if East-West were using the modern style of leading small form three small cards.

It might seem that the play is now routine. With plenty of entries to the dummy, South simply needs to lead trumps twice toward his hand. He knows from the bidding that the ace is on his right.

This would be so at 99 tables out of 100, but at the 100th table East does something odd. When dummy is entered with a diamond lead and a trump is played, East puts up the ace and plays a fourth round of clubs. Now South has to worry frantically about the trump jack.

He can, and should, postpone the issue by ruffing with a high trump. He can then cross to dummy with a heart lead to the queen in order to lead another trump.

When East follows low, South has to scratch his head, looking suspiciously at East. Has he made a strange second-hand-high play with A-5? He might have done either, trading on the fact that West can hardly hold the king or queen of spades.

South is left miserably guessing. If he guesses wrong, the contract fails and East-West must conceal their delight. Even if he guesses right, East is awarded a gold star for effort.

NORTH
♠ 7 6 4 3
♡ Q 5 2
◇ K Q 7
♣ J 10 8

WEST
♠ 8
♡ J 9 7 4
◇ J 9 6 3 2
♣ 6 5 2

EAST (D)
♠ A J 5
♡ 10 6 3
◇ 8 4
♣ A K Q 9 3

SOUTH
♠ K Q 10 9 2
♡ A K 8
◇ A 10 5
♣ 7 4

Neither side was vulner. The bidding:

East	South	West	North
1 ♣	1 ♠	Pass	2 ♣
Pass	4 ♠	Pass	Pass
Pass			

West led the club six.

SPORTS

Kookaburra III Edged By Australia IV After 2d Cup Collision in 2 Days

By Ruth Youngblood
United Press International

FREMANTLE, Australia — Kookaburra III, which is leading in the round-robin series that will select a yacht to defend the America's Cup, and second-place Australia IV collided Sunday during their race.

Despite the mishap on the second windward leg, which knocked Kookaburra III's delicate weather

AMERICA'S CUP

sensors into the sea, snapped her backstay and bent the top of her mast, the race continued with Australia IV the winner by two seconds, the third-closest margin in 135 years of cup racing.

It was the second time in two days that competing yachts had swerved into each other. Steak'n Kidney sliced into South Australia's port side Saturday, causing considerable damage to both boats.

Kookaburra III skipper Iain Murray said that "if we get a statement of responsibility and reimbursement for costs involved, we'll call it a day." He estimated the damage at "tens of thousands of dollars," adding that "the sophisticated electronic sensors fell into the water and our shipboard computer may be short-circuited. It brings you back to sailing off the seat of your pants."

Referring to the green flag with a yellow kangaroo flown by Australia IV, Murray said, "The boxing kangaroo got hold of the backstay and tugged pretty hard on it."

The narrow victory put the Australia IV camp in a jubilant mood, since the boat it is counting on to win the right to defend the cup, which Alan Bond won from the United States in 1983, evened the score with Kookaburra III at two triumphs each. Australia IV skipper Colin Beashel said, "We went out to win and came back victors."

Murray got Kookaburra III off to a four-second lead at the start, but could increase it to only 10 seconds on the first leg. His 20-second advantage on the second stretch put the two boats as far apart as they were to get during the race.

Beashel regained five seconds on the first reach and trimmed Murray's advantage to eight seconds on the next. When Murray tacked to starboard on the sixth leg, it enabled Beashel to slip inside and sail 21 seconds ahead.

The Kookaburra III skipper regained nine seconds on the seventh stretch, then began a fierce tacking duel on the way home. Beashel executed one last tack within feet of the finish line to hold off Murray and win the race.

Kookaburra III (15-2) maintained her hold on first place with 21 points, but Australia IV (13-4) now has 18 points in the second round of racing to determine the defending boat.

Sunday's results were provisional until the international jury overseeing the contest decided which boat was at fault in the collision.

Earlier, White Crusader of Great Britain had defeated Canada II by 0:00.29, for the smallest winning margin in cup history. One-second victories were recorded in 1934 and 1964, and there was another two-second victory in this series when Kookaburra III beat Kookaburra II.

In anther race sailed in 12-knot southwesterlies blowing across choppy seas, the battered South Australia lost by 1:42 to Australia III, the 12-meter world champion that also belongs to Bond. Eastern Australia's Steak'n Kidney, with a hurriedly fitted new bow, fared even worse, receiving a 2:54 thrashing from Kookaburra II.

South Australia's crew had worked through the night to patch up the damage caused Saturday by Steak'n Kidney's sharp bow. Phil Thompson, who had been thrown overboard by the impact and sailed over by Steak'n Kidney, was back at the helm of South Australia.

South Australia had rounded the first windward mark on Saturday holding a 1:40 lead, with Steak'n Kidney headed to the buoy, when their collision occurred.

"I ended up in the water and went under their boat," said Thompson, who was rescued by a tender after suffering minor cuts and abrasions.

He said that what Steak'n Kidney "did was extremely dangerous. They hunted us, that's the yachting term. It was a totally unfair fouling, not within the rules."

But observers noted that South Australia had violated a basic right-of-way rule that says that when two boats are on starboard tacks, the boat on the windward side must give way to the other. The race jury scheduled a meeting to determine blame.

Jonathon Eastland/The Associated Press

Kookaburra III, leading Kookaburra II at the weather mark, won by four seconds Saturday.

Steak'n Kidney's bow was sliced open on the starboard side, but she limped around all eight legs of the 24.5-mile (39.5-kilometer) course to record, tentatively, her first victory in 16 races.

South Australia suffered a 24-inch (60-centimeter) tear along her hull, with the gash extending 18 inches into the decking. The yacht's operations manager, Scott McAllister, said that the spinnaker and mainsail had been destroyed and much of the rigging damaged.

"It won't just be a late night, it will be all night," McAllister said of the repair job faced by his team.

In the other races Saturday, Kookaburra III beat golden-hulled stablemate Kookaburra II by four seconds and Australia IV turned in a predictable 70-second victory over defending champion Australia III.

Murray trailed the eight-month-older Kookaburra II for six legs after Peter Gilmour sailed his boat to a five-second lead at the start and increased that to 45 seconds rounding the first buoy.

Murray had halved the margin by the next beat and Gilmour's advantage had dwindled from 17 seconds on the reach to 12 seconds on the sixth leg before Murray caught up. The two yachts were within a boat length of each other for the entire last leg.

Australia IV led Australia III all the way, but not by much. Australia III skipper Gordon Lucas trailed by only 52 seconds before Beashel surged another 15 seconds ahead on the second reach.

French Storm Back, Rout All Blacks

By Bob Donahue
International Herald Tribune

NANTES, France — The French pulled off one of international rugby's most dramatic comebacks by whipping New Zealand Saturday after having been battered by the same All Blacks a week before.

After the first test, in Toulouse, the French admitted they were lucky to have lost by only twelve points, 19-7. In the second test, before a crowd of 40,000 at the soccer stadium in Nantes, New Zealand was lucky to lose by only 13 points, 16-3, as French kickers muffed eight goal attempts. All the same, it was France's biggest victory margin ever against New Zealand.

Center Denis Charvet and lock Alain Lorieux scored tries, and right wing Philippe Bérot kicked a conversion and two penalty goals. For New Zealand, fullback Kieran Crowley kicked a penalty goal.

French Coach Jacques Fouroux was harshly criticized in the press after his forwards were submerged by the merciless New Zealand thrust in Toulouse. He refused to change his power tactics, instead preaching "self-respect" to his pack.

The result was patent from the start. Before Saturday's opening whistle, while the All Blacks were dancing and chanting the traditional Maori Haka ("Are you ready to fight...?"), the French glared at the visitors instead of turning their backs and pretending not to notice, as New Zealand's adversaries usually do. Flanker Eric Champ stood ostentatiously to the fore.

Fullback Serge Blanco then kicked off, and the French piled into the bunched New Zealand forwards, bowling them over to a man. Champ emerged from the heap with the recovered ball in his arms, the referee awarded the put-in to France and the French shoved New Zealand backward at the first scrum — drawing New Zealand's backs offside and earning Bérot his first penalty shot, which he missed.

That rampaging start knocked the All Blacks back on their heels, and the French never relented. Such were French discipline and territorial pressure that Crowley had only two penalty goal chances in the whole game.

Clive Rowlands, who will manage Wales at rugby's first World Cup next May and June, was asked how he explained the transformation in the French from one Saturday to the next. "Tell your readers about pride," Rowland said. "Tell them about heart. And you can say to them, after all the talk about superiority of the Southern Hemisphere, that this Welshman is proud of the North."

Fouroux, his tongue in his cheek, cracked that the French had played in Nantes like All Blacks and the All Blacks like Frenchmen.

Key French changes paid off. New prop Pascal Ondarts, flyhalf Frank Mesnel and center Charvet did little wrong, while Laurent Rodriguez, playing at No. 8 for the first time in five seasons, had a storming game. Lorieux, at lock, had the match of his life.

If all kicks had succeeded in the first half, France would have led, 21-6. The real halftime score was only 3-3. Daniel Dubroca, the French captain, could well have been worried, but he wasn't. "We knew we were on top and the scores would come."

Scrummage pressure was rewarded with a pick-up try for Charvet in the 18th minute of the second half. Bérot's second penalty put the match on ice in the 31st minute. Defiant to the end, Dubroca ordered a tapped penalty five meters from New Zealand's line in the 40th minute, and Lorieux lunged in for the first try of his international career.

Brian Lochore, the New Zealand coach, had been saying all week that defeat in the second test would be no disaster. His young squad — six members of the test team have played their first international matches in the last five months — winds up its French tour with seven victories in eight matches.

One disappointment was New Zealand's lack of fluid and penetrating back play in the tests. That put a heavy load on the forwards, who finished bedraggled after stalwarts Gary Whetton and Wayne Shelford limped off Saturday in the middle of the second half.

To judge from exuberant parties at their hotel Saturday night and Sunday morning, the All Blacks are still looking ahead to the World Cup in good spirits.

Michigan Upset; Miami, Penn St. Rally

United Press International

NEW YORK — Second-ranked Michigan was beaten Saturday when Minnesota kicked a 30-yard field goal as time ran out. But the

U.S. COLLEGE FOOTBALL

20-17 upset did improve the chance of a bowl showdown in January between the top two teams, because No. 1 Miami and No. 3 Penn State each won a close game.

Miami's 23-10 victory over Tulsa and Penn State's 24-19 triumph at Notre Dame made the winners 10-0 and kept them the only unbeaten and untied Division I-A teams.

According to Miami's coach, Jimmy Johnson, the Sunkist Fiesta Bowl in Tempe, Arizona, is planning to shift its game from New Year's Day to Jan. 2 if it can match the Hurricanes and Nittany Lions. Miami is expected to accept this move.

The Sunkist Fiesta and the Florida Citrus bowls are believed to have the inside track to what could be a national title game, although representatives of the Orange, Cotton and Gator Bowls attended the Miami and Penn State games Saturday.

Bowl bids go out next Saturday, when Penn State finishes its season against Pittsburgh. Miami plays its last game on Thanksgiving night against East Carolina. Miami's athletic director, Sam Jankovich, said the Hurricanes could decide by Sunday where they will be going.

"The feeling right now is that we are going to the Fiesta Bowl to play in prime time on Jan. 2, after all the other bowls are over," Johnson said. "I understand that the matchup will be against Penn State. The development with the game at prime time just occurred within the last few days."

In Saturday's game in Miami, Tulsa closed to 10-3 on David Fuess's 29-yard field goal with five minutes left in the period. But the Hurricanes pulled away again on quarterback Vinny Testaverde's 53-yard touchdown pass to Brian Blades and a 4-yarder to tight end Alfredo Roberts.

In South Bend, Indiana, quarterback John Shaffer passed 37 yards to Ray Roundtree for a touchdown late in the third quarter to put Penn State ahead, then sneaked a yard for the deciding touchdown as the Nittany Lions stretched their regular-season winning streak to 20 games. The Fighting Irish fell to 4-5 in Lou Holtz's first year as coach.

An eight-yard touchdown pass from Notre Dame's Steve Beuerlein to Tim Brown made it 24-19 with 7:37 left, but Penn State's defense, ranked ninth nationally, preserved the victory with two great plays after the Irish had a first down at the Nittany Lion six-yard line in the final minute.

In Ann Arbor, Michigan, Chip Lohmiller's 30-yard field goal on the last play ended the Wolverines' 13-game winning streak and dropped them to 9-1 overall and 6-1 in the Big Ten. Michigan still can win the conference title and a Rose Bowl berth with a victory next week at Ohio State.

Michigan, heavily favored, turned the ball over five times, three of which led to Minnesota's first 17 points.

Michigan pulled into a tie at 17 on Gerald White's one-yard dive and Mike Gillette's extra point with 2:26 left. But quarterback Rickey Foggie led Minnesota back down the field, running 31 yards to the Michigan 17 on a first-and-10 to set up Lohmiller's field goal.

Oklahoma 28, Colorado 0: In Boulder, Colorado, Patrick Collins ran for two touchdowns and No. 4 Oklahoma recorded its fourth shutout in five games as it improved to 8-1 overall and 6-0 in the Big Eight, setting up a conference title game next Saturday against Nebraska, with the winner going to the Orange Bowl.

Arkansas 14, Texas A&M 10: In Little Rock, Arkansas, the No. 16 Razorbacks kept the No. 7 Aggies from clinching the Southwest Conference title when quarterback Greg Thomas ran 10 yards for a touchdown late in the third period. The drive started after A&M quarterback Kevin Murray was intercepted for the first time in his last 159 passes. The Razorbacks can win the SWC and a Cotton Bowl bid if they defeat Southern Methodist next week and Texas A&M loses to Texas Christian or Texas in the next two weeks. Texas can win the SWC if it takes its last two games and Arkansas loses to SMU.

Georgia 20, Auburn 16: In Auburn, Alabama, reserve Wayne Johnson passed for one touchdown and ran for another as Georgia's upset, coupled with LSU's victory, ended No. 8 Auburn's hopes for a Sugar Bowl berth.

Louisiana St. 47, Mississippi St. 0: In Jackson, Mississippi, freshman Tom Hodson threw for 231 yards and two touchdowns, the defense intercepted three passes and No. 11 LSU improved to 7-2 overall, 5-1 in the Southeastern Conference.

The Tigers clinched at least a tie for the SEC title and will win it outright if Auburn beats Alabama on Nov. 29. If Alabama wins, the Crimson Tide will finish 5-1 in the SEC and conference representatives will vote on whether to send LSU or Alabama to the Sugar Bowl. LSU, which beat Alabama by 14-10 last week, has not finished first in the SEC since 1970.

Washington 17, UCLA 17: In Seattle, Jeff Jaeger kicked a 27-yard field goal as time expired to give No. 10 Washington its tie in a Pacific-10 game between bowl hopefuls. David Franey, who missed from 45 yards earlier in the quarter, had kicked a 42-yard field goal with 1:29 left to give the Bruins a 17-14 lead.

Giants Beat Vikes on Last Play

The Associated Press

MINNEAPOLIS — Raul Allegre's fifth field goal of the game Sunday, a 33-yarder with 12 seconds to play, gave New York a 22-20 victory over the Minnesota Vikings and kept the Giants atop the NFC East in the National Football League.

Quarterback Phil Simms, who was 25-of-38 passing for 309 yards, threw 21 yards to Bobby Johnson

NFL ROUNDUP

on fourth-and-17 with 1:12 to go to keep the winning drive going.

New York improved its record to 9-2, a half-game ahead of Washington, which was to play San Francisco on Monday night.

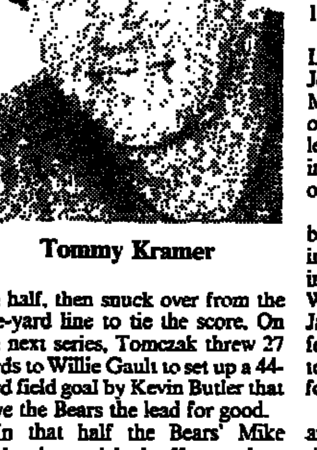
The Giants got only 49 yards rushing from Joe Morris, who entered the game as the NFL's second-leading rusher after four straight 100-yard games. He did go over the 1,000-yard mark for the second straight season.

Minnesota had taken a 20-19 lead with 6:53 left when Wade Wilson replaced quarterback Tommy Kramer and hit Anthony Carter with a 33-yard touchdown pass. Kramer was 16-of-25 for 187 yards and one touchdown before jamming the thumb on his throwing hand.

Bears 13, Falcons 10: In Atlanta, Mike Tomczak atoned for a dismal first half with two long passes in the third quarter and the defense held Atlanta without a first down for the first 23 minutes of that half as Chicago rallied from a 10-0 deficit.

Tomczak was just one-of-eight for six yards before intermission as the Bears, who won for the ninth time in 11 games, were held without a first down for the game's first 24 minutes and one of Tomczak's two interceptions was returned 14 yards for a touchdown by Joel Williams.

But Tomczak was 8-of-14 for 197 yards in the second half. He completed an 85-yard pass to Emery Moorehead on the second play of the half, then snuck over from the one-yard line to tie the score. On the next series, Tomczak threw 27 yards to Willie Gault to set up a 44-yard field goal by Kevin Butler that gave the Bears the lead for good.



Tommy Kramer

In that half the Bears' Mike Richardson picked off two deep passes by Turk Schonert, who had replaced David Archer when Archer separated a shoulder in the second quarter. Dave Duerson intercepted another pass to end the Falcons' final drive.

Bengals 34, Seahawks 7: In Cincinnati, quarterback Boomer Esiason's third-quarter touchdown pass put his team ahead and defensive end Eddie Edwards recovered a fumble by quarterback Dave Krieg in the end zone to ensure Seattle's fourth straight loss.

The Seahawks missed on three field goal attempts, made five turnovers — two resulting in Cincinnati touchdowns — and were called for pass interference in the end zone to set up Esiason's one-yard touchdown pass to tight end Eric Kattus. Esiason was 22-of-33 for 334.

Dolphins 34, Bills 24: In Orchard Park, New York, Dan Marino passed for four touchdowns and 404 yards as Miami erased a 14-point deficit to beat Buffalo.

Marino completed a career-high 39 passes in picking apart the Bills' zone defense with mostly short receptions. The Bills let a 21-7 second-quarter lead slip away, with a late hit penalty and running back Robb Riddick's fumble leading to 10 points for Miami.

Saints 16, Cardinals 7: In St. Louis, Dave Wilson passed to Mike Jones for a 10-yard touchdown and Morten Andersen kicked field goals of 47, 28 and 30 yards as New Orleans won its third straight and fifth in six games, gaining a 6-5 record for only the third time in 20 seasons.

Steelers 21, Oilers 10: In Pittsburgh, an interception and a pass interference penalty were turned into first-half touchdown runs by Walter Abercrombie and Earnest Jackson before the Steelers' defense stopped mistake-prone Houston on a goal-line stand in the fourth period.

The Oilers had two touchdowns and a field goal nullified by penalties during a scoreless second half, even before they failed to score on four straight plays from the Steelers' one early in the last quarter.

Packers 31, Buccaneers 7: In Milwaukee, Randy Wright threw touchdown passes of 53, 12 and 5 yards in the first half and the Green Bay defense got a season-high six sacks against Tampa Bay in helping end a three-game losing streak.

Lions 13, Eagles 11: In Philadelphia, Eddie Murray kicked a 41-yard field goal for Detroit with 12 seconds to play after the Eagles' quarterback, Randall Cunningham, dropped the ball with 1:44 left and linebacker Mike Cofer recovered it at the Philadelphia 37.

The Lions, with only 16 sacks in their previous 10 games, got a club-high 11. Their offense produced only 40 yards rushing and 146 passing; the latter figure included Joe Ferguson's 72-yard touchdown pass to wide receiver Jeff Chadwick.

SCOREBOARD

Football

U.S. College Results

EAST
American International 49, Springfield 7
Alfred 27, Buffalo St. 19
Army 56, Lafayette 48
Boston U. 45, Colgate 17
Boston College 27, Syracuse 9
Brown 21, Dartmouth 21
Buffalo 42, Frostburg St. 7
Cornell 28, Columbia 0
Denison 42, Rochester 21
Hobart 25, RPI 10
Hofstra 28, W. Connecticut 9
Lehigh 17, Bucknell 7
Massachusetts 38, New Hampshire 31
New Haven 45, Albany 28
Penn 17, Harvard 10
Pittsburgh 28, Rutgers 4
Connecticut 21, Rhode Island 14
Villanova 28, Widener 9
Yale 14, Princeton 13

SOUTH
Alabama 24, Temple 14
East Carolina 32, Cincinnati 19
Florida St. 49, So. Mississippi 13
Furman 21, Tenn-Chat. 10
Georgia 20, Auburn 16
Grambling 28, S. Carolina St. 16
Kentucky 10, Florida 3
LSU 47, Mississippi St. 0
Maine 26, Richmond 11
Maryland 17, Clemson 17
Miami 23, Tulsa 10
N. Carolina St. 29, Duke 15
Northeastern 37, Delaware St. 19
So. Carolina 48, Wake Forest 21
Tennessee 22, Mississippi 10
Tulane 15, Memphis St. 6
Virginia St. 41, Hampton 14
Virginia Tech 29, Vanderbilt 21
West Virginia 42, Louisville 19

MIDWEST
Central Michigan 43, Ball St. 22
Eastern Kentucky 27, Akron 24
Eastern Illinois 35, W. Kentucky 18
Illinois 21, Indiana 16
Iowa 42, Purdue 14
Iowa St. 48, Kansas St. 19
Miami (Ohio) 34, Eastern Michigan 20
Minnesota 20, Michigan 17
Nebraska 70, Kansas 0
Northwestern 24, Michigan St. 21
Ohio St. 30, Wisconsin 17
Penn St. 24, Notre Dame 19
Toledo 22, Bowling Green 3

SOUTHWEST
Arkansas St. 56, Lamar 7
Arkansas 14, Texas A&M 10
Baylor 23, Rice 17
SMU 13, Texas Tech 7
Texas 45, TCU 16
West Texas St. 58, East New Mexico 3

WEST
Arizona St. 52, Wichita St. 6
Colorado St. 32, N. Mexico 27
Idaho 31, Weber St. 17
Montana 57, Idaho St. 13
Nevada-Reno 27, No. Arizona 17
Oklahoma 28, Colorado 0
Oregon 27, Washington St. 17
Oregon St. 10, Brigham Young 7
San Diego St. 31, Wyoming 24
San Jose St. 38, Long Beach St. 14
Southern Cal 28, California 3
Utah 27, Utah St. 10
Washington 17, UCLA 17

Tennis

MEN'S TOURNAMENT (LONDON)
Quarterfinals
Libor Pimek, Czechoslovakia, def. David Pate, U.S., 6-7 (7-9), 6-2, 6-2
Yannick Noah (3), France, def. Johan Kriek, U.S., 7-6 (10-8), 6-4
Jonas Svensson, Sweden, def. Pat Cash, Australia, 7-6 (7-5), 6-7 (5-7), 6-3
Kevin Curren (7), U.S., def. Jakob Hlasek, Switzerland, 6-4, 6-4
Semifinals
Noah def. Curren, 7-5, 6-3
Svensson def. Pimek, 6-3, 7-6 (7-3)
Final
Noah def. Svensson, 6-2, 6-3, 6-7 (12-14), 4-6, 7-5

WOMEN'S TOURNAMENT (CHICAGO)
Quarterfinals
Zina Garrison (8), U.S., def. Katerina Maleeva, Bulgaria, 7-5, 6-1
Martina Navratilova (1), U.S., def. Gabriela Sabatini (4), Argentina, 6-2, 7-6 (7-2)
Hana Mandlikova (2), Czechoslovakia, def. Claudia Kohde-Kilsch (5), Monaco, 6-4, 7-5
Pam Shriver (4), U.S., def. Kathy Rinaldi (7), U.S., 6-3, 6-4
Semifinals
Navratilova def. Garrison, 6-2, 7-5
Mandlikova def. Shriver, 6-4, 3-6, 7-5

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division	W	L	Pct.	GB
Boston	6	2	.750	—
Philadelphia	5	4	.556	1½
New York	3	7	.300	4
Washington	2	6	.250	4
New Jersey	2	6	.250	4
Central Division				
Atlanta	7	1	.875	—
Chicago	5	3	.625	2
Indiana	5	3	.625	2
Milwaukee	6	4	.600	2
Cleveland	3	5	.375	4
Detroit	3	5	.375	4

WESTERN CONFERENCE

Midwest Division	W	L	Pct.	GB
Utah	5	2	.714	—
Houston	4	2	.667	½
Dallas	5	4	.556	1
Denver	4	5	.444	2
Sacramento	3	4	.429	2
San Antonio	3	6	.333	3
Pacific Division				
LA Lakers	4	1	.800	—
Golden State	4	4	.500	1½
Seattle	4	4	.500	1½
Phoenix	4	5	.444	2
LA Clippers	3	5	.375	2½
Portland	3	5	.375	2½

FRIDAY'S RESULTS

Atlanta 29 24 24 28—105
Detroit 26 26 20 28—100
Willis 12-17 7-8 31, Wilkins 7-11 9-13 24; Dantley 6-11 9-16 21, Thomas 5-16 11-12 21, Johnson 9-20 1-1 19. Rebounds: Atlanta 49 (Willis 20); Detroit 50 (Green 12). Assists: Atlanta 18 (Rivers, Wittman 6); Detroit 9 (Thomas 4).

Boston 32 28 24 26—110
Chicago 25 21 31 21—98
Bird 13-25 11-12 37, McHale 12-16 8-8 32; Jordan 17-33 13-14 48, Oakley 7-16 6-11 20. Rebounds: Boston 40 (Parish 18); Chicago 44 (Oakley 13). Assists: Boston 28 (Bird 10); Chicago 17 (Paxson 5).

New York 20 27 27 29—103
Milwaukee 30 26 21 29—106
T.Cummings 8-16 9-12 25, Pierce 8-12 5-6 21; Cartwright 8-14 4-9 20, Ewing 7-15 1-3 15, P.Cummings 5-10 5-8 15. Rebounds: New York 36 (Cartwright 11); Milwaukee 41 (Sikma 14). Assists: New York 20 (Wilkins 7); Milwaukee 26 (Pressey 12).

Dallas 37 39 37 25—138
Denver 38 31 35 38—142
Hanzlik 11-16 9-13 33, English 13-25 4-6 30; Blackman 10-17 4-5 24, Aguirre 6-11 7-8 21. Rebounds: Dallas 44 (Donaldson 13); Denver 38 (Cooper 8). Assists: Dallas 27 (Harper 7); Denver 30 (Lever 6).

Philadelphia 25 28 19 25—97
Phoenix 39 30 32 26—127
Davis 12-15 0-0 24, Addison 10-15 2-2 22; Threatt 8-22 2-2 18, Robinson 5-15 3-4 13, Wingate 6-13 1-2 13. Rebounds: Philadelphia 42 (Erving, McCormick, Robinson 8); Phoenix 50 (Nance 11). Assists: Philadelphia 18 (Cheeks, Threatt, Toney 4); Phoenix 25 (Humphries 11).

L.A. Clippers 23 26 31 29—109
Portland 37 25 28 29—119
Vandeweghe 11-19 8-8 30, Drexler 11-20 2-3 24; Woodson 9-14 7-8 26, M. Johnson 11-27 0-0 22. Rebounds: Los Angeles 28 (Benjamin 9); Portland 62 (Carr 20). Assists: Los Angeles 26 (Drew 7); Portland 31 (Drexler 11).

SATURDAY'S RESULTS

Seattle 32 26 38 31—127
Golden State 33 29 30 29—121
Chambers 13-23 12-14 38, Ellis 10-20 3-4 24; Short 10-20 4-4 25, Floyd 7-12 10-13 25, Carroll 10-17 3-4 23. Rebounds: Seattle 47 (Chambers, Lister, Ellis 7); Golden State 43 (L. Smith 10). Assists: Seattle 24 (Young 9); Golden State 24 (Floyd 14).

Denver 20 40 21 22—103
Utah 26 30 32 23—111
Green 9-14 4-4 22, Malone 6-13 3-4 15; Hanzlik 8-22 10-12 27, English 8-24 4-5 20. Rebounds: Denver 54 (Lever 18); Utah 56 (Eaton 9). Assists: Denver 17 (Walker 5); Utah 19 (Tripucka, Green 5).

Phoenix 23 31 30 32—116
San Antonio 29 29 23 28—109
Davis 10-20 5-5 25, Sanders 8-11 1-1 17; Mitchell 13-28 5-6 31, Moore 10-15 1-2 21. Rebounds: Phoenix 48 (Nance 12); San Antonio 46 (Greenwood 9). Assists: Phoenix 30 (Adams, Humphries 6); San Antonio 34 (Moore 12).

Cleveland 20 25 25 26—96
Dallas 44 21 27 19—111
Aguirre 11-21 3-4 3-4 25, Schrempf 7-17 1-1 16; R.Harper 8-16 6-10 22, Bagley 7-12 0-0 14, Daugherty 4-11 6-6 14. Rebounds: Cleveland 49 (Daugherty 13); Dallas 51 (Schrempf 13). Assists: Cleveland 30 (Bagley 8); Dallas 26 (D.Harper 9).

Washington 26 22 31 18—97
New York 28 28 26 22—104
Cartwright 9-12 5-5 23, Wilkins 10-15 2-3 22; J. Malone 10-22 4-4 24, Roundfield 7-16 7-9 21. Rebounds: Washington 40 (M. Malone, Bol 10); New York 43 (Cartwright 10). Assists: Washington 18 (Johnson 6); New York 25 (Sparrow 9).

Atlanta 25 29 30 25—109
New Jersey 21 27 15 27—90
Wittman 11-13 0-0 22, Wilkins 3-12 12-13 18; Birdsong 8-19 1-1 17, Williams 6-10 4-8 16, Gminski 5-14 6-6 16. Rebounds: Atlanta 37 (Koncak 8); New Jersey 44 (Williams 9). Assists: Atlanta 21 (Rivers 7); New Jersey 17 (Williams, Washington, and King 3).

Boston 34 33 24 27—118
Detroit 24 40 25 22—111
Parish 13-21 8-12 34, Bird 7-14 10-11 26; Dantley 17-27 7-8 41, Thomas 12-28 8-9 33. Rebounds: Boston 41 (Parish 19); Detroit 49 (Green 16). Assists: Boston 34 (Johnson 11); Detroit 22 (Thomas 8).

Milwaukee 20 26 27 30—103
Indiana 24 30 24 26—104
Stipanovich 11-14 3-4 25, Tisdale 9-12 2-2 20; Cummings 14-24 1-3 29, Pierce 10-16 5-5 25. Rebounds: Milwaukee 51 (Sikma 13); Indiana 56 (Fleming 12). Assists: Milwaukee 23 (Pressey 9); Indiana 27 (Fleming 10).

Hockey

National Hockey League Standings

WALES CONFERENCE

Patrick Division	W	L	T	Pts.	GF	GA
Pittsburgh	11	5	2	24	75	61
Philadelphia	11	4	1	23	67	39
NY Islanders	9	4	1	19	66	49
New Jersey	8	7	2	18	66	78
Washington	7	8	3	17	58	70
NY Rangers	5	7	4	14	57	64
Adams Division						
Montreal	9	5	3	21	66	59
Quebec	8	7	4	20	74	64
Hartford	7	5	3	17	54	56
Boston	7	8	2	16	58	61
Buffalo	4	11	2	10	58	61

CAMPBELL CONFERENCE

Norris Division	W	L	T	Pts.	GF	GA
Toronto	8	5	3	19	54	48
St. Louis	6	5	4	16	50	48
Detroit	7	9	1	15	47	56
Minnesota	5	9	2	12	60	67
Chicago	4	10	3	11	55	73
Smythe Division						
Winnipeg	10	6	1	21	69	57
Edmonton	10	8	1	21	79	68
Calgary	10	8	0	20	63	65
Los Angeles	6	11	1	13	68	79
Vancouver	4	12	3	11	52	73

FRIDAY'S RESULTS

Philadelphia 0 1 0—1
N.Y. Rangers 1 0 1—2
Ridley (6), Laidlaw (1); Kerr (13). Shots on goal: Philadelphia (on Vanbiesbrouck) 6-14-9—29; N.Y. Rangers (on Resch) 7-12-8—27.

Pittsburgh 1 2 1—4
New Jersey 2 2 1—5
Loiselle 2 (4), MacLean (7), Sulliman 2 (5); Lemieux (10), Siren (3), Young (3), Chabot (5). Shots on goal: Pittsburgh (on Chevrier) 8-10-18—36; New Jersey (on Meloche) 11-6-9—26.

Quebec 0 2 2—4
Washington 1 0 0—1
Goulet (8), P. Stastny (11), Hunter (5), Gillis (5); Sampson (1). Shots on goal: Quebec (on Mason) 13-9-5—27; Washington (on Malarchuk) 8-10-11—29.

Winnipeg 0 2 1—3
Vancouver 1 1 0—2
Hawerchuk 2 (12), Hamel (6); Tambellini 2 Sundstrom 7. Shots on goal: Winnipeg (on Brodeur) 3-5-7—17; Vancouver (on Reddick) 6-7-10—23.

SATURDAY'S RESULTS

Calgary 0 1 0—1
Los Angeles 0 2 2—4
Erickson (4), Williams (3), Robitaille (11). Taylor (6); Patterson (4). Shots on goal: Calgary (on Melanson) 7-13-10—30; Los Angeles (on Lemelin) 7-8-5—20.

Chicago 1 0 2—3
St. Louis 0 1 3—4
Hunter (9), Pavese (1), Lemieux (3), Paslawski (4); Larmer 2 (6), Savard (9). Shots on goal: Chicago (on Wamsley) 5-13-12—30; St. Louis (on Sauve) 8-13-13—34.

N.Y. Islanders 2 0 5—7
Minnesota 2 0 1—3
D. Sutter (4), Bossy 2 (9), LaFontaine (9), B. Sutter (11), Gilbert (1), Potvin (4); Habscheid (2), MacLellan (4), Nilsson (3). Shots on goal: N.Y. Islanders (on Sands) 11-8-16—35; Minnesota (on Smith) 14-6-12—32.

Detroit 0 0 0—0
Toronto 2 2 2—6
Fergus 2 (13), Damphousse 2 (3), Clark (11), Courtnall (5). Shots on goal: Detroit (on Bester) 10-6-5—21; Toronto (on Hanlon) 7-13-8—28.

Edmonton 0 2 0—2
Hartford 3 1 2—6
MacDermid (2), Miller (1), Dineen (7), Evason (2), Anderson (7), Gavin (4); MacTavish (6), Coffey (6). Shots on goal: Edmonton (on Liut) 7-15-10—32; Hartford (on Moog) 12-9-9—30.

Quebec 1 1 0—2
Pittsburgh 2 1 1—4
Simpson (6), Chabot (4), Quinn (4), Lemieux (19), Hannan (5); Ashton (11), Eagles (4). Shots on goal: Quebec (on Romano) 11-12-8—31; Pittsburgh (on Gosselin) 13-5-7-25.

New Jersey 1 2 2 0—5
Boston 2 1 2 0—5
Larson (2), Linseman (2), McCarthy (6), Bourque (4), Kasper (4); Adams (7), Sullivan (6), Johnson 2 (5), Loiselle (5). Shots on goal: New Jersey (on Riggin) 10-10-6-2-28; Boston (on Terreri) 14-9-16-2—41.

Buffalo 0 1 1—2
Montreal 2 1 1—4
Naslund (8), Smith (9), Carbonneau 2 (6); Korn (3), Polement (12). Shots on goal: Buffalo (on Hayward) 9-13-5—27; Montreal (on Cloutier) 9-11-8—28.

Golf

Top finishers in the Australian Open, which ended Sunday on the par-72, 7,000-yard Metropolitan Club course in Melbourne:

Rodger Davis, Australia 67-71-72-68—278
Bob Shearer, Australia 69-71-70-69—279
Ian Baker-Finch, Australia 66-69-72-72—279
Graham Marsh, Australia 70-71-69-69—279
Magnus Persson, Sweden 67-71-72-70—280
Roger MacKay, Australia 71-70-71-69—281
Greg Norman, Australia 70-72-72-68—282
Bernard Langer, W. Germany 69-70-72-71—282
Vaughan Somers, Australia 71-70-71-70—282
Mark Nash, Australia 74-70-70-71—285
Terry Gale, Australia 72-72-70-72—286
Greg Turner, New Zealand 66-72-74-74—286
Wayne Grady, Australia 72-74-74-67—287
Brett Ogle, Australia 71-73-72-71—287
Ian Stanley, Australia 72-76-70-70—288
Michael Clayton, Australia 70-73-74-71—288
Sandy Harper, Canada 74-72-72-71—289
Steen Tinning, Denmark 74-73-71-71—289

Top finishers and earnings in Kapalua International tournament, which ended Saturday on the 6,721-yard, par-72 Kapalua Bay course in Kapalua, Hawaii:

Andy Bean, $150,000 72-68-68-70—278
Davis Love III, 84,000 68-69-70-73—280
Paul Azinger, 53,000 70-65-75-73—283
Dan Pohl, 30,333 70-73-73-70—286
Ben Crenshaw, 30,333 76-65-71-74—286
Tom Purtzer, 30,333 71-68-73-74—286
Joey Sindelar, 14,750 72-71-74-70—287
David Ishii, 14,750 74-69-71-73—287
Howard Clark, 14,750 72-70-72-73—287
Nick Faldo, 14,750 69-71-75-72—287
Payne Stewart, 9,467 76-68-73-71—288
Lee Trevino, 9,467 76-72-66-74—288
Mike Hulbert, 9,467 73-68-72-75—288
Bob Tway, 8,250 74-76-70-69—289
Don Pooley, 8,250 73-69-73-74—289
John Cook, 6,937 74-72-74-70—290
Hale Irwin, 6,937 75-69-75-71—290
Mark Wiebe, 6,937 79-70-70-71—290
Bobby Wadkins, 6,937 71-74-73-72—290
Jodie Mudd, 5,875 74-71-74-72—291
Corey Pavin, 5,875 74-71-74-72—291
Craig Stadler, 5,875 74-68-74-75—291
Scott Verplank, 5,875 73-70-72-76—291
Lanny Wadkins, 5,125 74-76-71-71—292
Jay Haas, 5,125 78-70-73-71—292
John Mahaffey, 4,500 72-71-77-73—293
Nick Price, 4,500 75-74-71-73—293
Anders Forsbrand, 4,500 76-71-78-70—295
Chip Beck, 3,875 79-73-70-73—295
Peter Jacobsen, 3,875 76-73-74-72—295
Mac O'Grady, 3,375 76-72-74-74—296
Larry Mize, 3,375 77-71-75-73—296
Mark O'Meara, 2,550 77-73-71-76—297
Tony Sills, 2,550 76-73-72-76—297
Lance Suzuki, 2,550 73-74-73-77—297
Roger Maltbie, 2,550 75-69-77-76—297
Chi Chi Rodriguez, 2,550 77-74-74-72—297
Bruce Lietzke, 2,550 78-76-71-72—297
Steve Pate, 2,250 77-70-76-75—298
Sandy Lyle, 2,200 76-73-73-77—299
Neil Finch, 2,150 78-76-75-72—301
Doug Tewell, 2,075 78-70-78-78—304
Mark Rolfing, 2,025 79-76-74-76—305
Warren Chancellor, 2,000 77-80-77-77—311

Soccer

EUROPEAN CHAMPIONSHIP
(Group 2 Qualifier)
Italy 3, Switzerland 2
Malta 0, Sweden 5
Points standings: Sweden 5; Italy, Portugal 2; Switzerland 1, Malta 0.

ENGLISH FIRST DIVISION
Aston Villa 0, Chelsea 0
Leicester 0 Everton 2
Luton 4, Nottingham Forest 2
Manchester City 2, Charlton 1
Newcastle 2, Watford 2
Norwich 0, Manchester United 0
Queens Park Rangers 1, Oxford 1
Southampton 0, Arsenal 4
Tottenham 1, Coventry 0
Wimbledon 0, West Ham 1
Liverpool 1, Sheffield Wednesday 1
Points standings: Arsenal 28; Liverpool 27; Nottingham Forest, Luton, West Ham, Norwich 26; Everton 25; Coventry 23; Tottenham, Sheffield Wednesday 22; Oxford 21; Watford, Wimbledon 19; Queens Park Rangers 18; Southampton, Charlton, Aston Villa 17; Leicester 16; Manchester City, Chelsea 15; Manchester United 14; Newcastle 11.

WEST GERMAN FIRST DIVISION
Leverkusen 0, Waldhof Mannheim 0
Werden Bremen 0, Schalke 0
Kaiserslautern 3, Fortuna Düsseldorf 1
Nuremberg 7, Blau-Weiss Berlin 2
Bayern Munich 3, Hamburg 0
Eintracht Frankfurt 1, Uerdingen 0
Bochum 0, Stuttgart 1
Bor. Mönchengladbach 2, Bor. Dortmund 2
Homburg 1, Cologne 0
Points standings: Leverkusen, Bayern Munich 20; Hamburg 19; Werder Bremen 18; Kaiserslautern, Stuttgart 17; Eintracht Frankfurt 15; Borussia Dortmund, Borussia Mönchengladbach, Uerdingen 14; Cologne, Bochum, Schalke 13; Waldhof Mannheim 12; Nuremberg 11; Homburg 8; Fortuna Düsseldorf, Blau-Weiss Berlin 7.

SPANISH FIRST DIVISION
Valladolid 0, Atletico de Madrid 0
Real Madrid 2, Athletic Bilbao 4
Murcia 2, Sabadell 0
Las Palmas 5, Cadiz 0
Gijon 2, Mallorca 2
Zaragoza 4, Santander 1
Betis 0, Barcelona 1
Real Sociedad 2, Osasuna 0
Español 5, Sevilla 1
Points Standings: Barcelona 20; Real Madrid 19; Espanol 18; Athletic Bilbao, Atletico Madrid 17; Gijon 16; Real Sociedad, Mallorca, Betis 15; Valladolid 14; Zaragoza, Las Palmas 13; Sevilla, Murcia, Cadiz 12; Osasuna 10; Santander, Sabadell 7.

America's Cup

(At Fremantle, Australia)

CHALLENGER ELIMINATION
(Round Three, 12 Points, Begins Dec. 2)
Standings

Yacht, Country	W	L	Pts
New Zealand, New Zealand	22	1	66
America II, U.S.	20	3	56
Stars & Stripes, U.S.	18	5	46
French Kiss, France	13	10	45
White Crusader, Britain	15	8	43
USA, U.S.	15	8	43
Canada II, Canada	11	12	31
Italia, Italy	11	12	27
Eagle, U.S.	8	15	24
Heart of America, U.S.	5	18	13
Azzurra, Italy	3	20	12
Challenge France, France	2	21	2

DEFENDER ELIMINATION
(Second-Series Round Robin; 2 Points)
Standings

Yacht	W	L	Pts
Kookaburra III	15	2	21
Australia IV	13	4	18
Kookaburra II	12	5	17
Australia III	6	11	8
South Australia	4	13	6
Steak'n Kidney	1	16	2

Saturday's Results
Australia IV, Colin Beashel, def. Australia III, Gordon Lucas, 1 minute, 10 seconds.
Steak'n Kidney, Fred Neill, def. South Australia, John Savage (did not finish).
Kookaburra III, Iain Murray, def. Kookaburra II, Peter Gilmour, 0:04.

Sunday's Results
Kookaburra II def. Steak'n Kidney, 2:54
Australia III def. South Australia, 1:42
Australia IV def. Kookaburra III, 0:02

Monday's Races
Australia III vs. Kookaburra III
Steak'n Kidney vs. Australia IV
Kookaburra II vs. South Australia
Monday's forecast: Southwesterly winds 15 to 18 knots; slight swells.

Murder Most Profitable

By Richard M. Levine

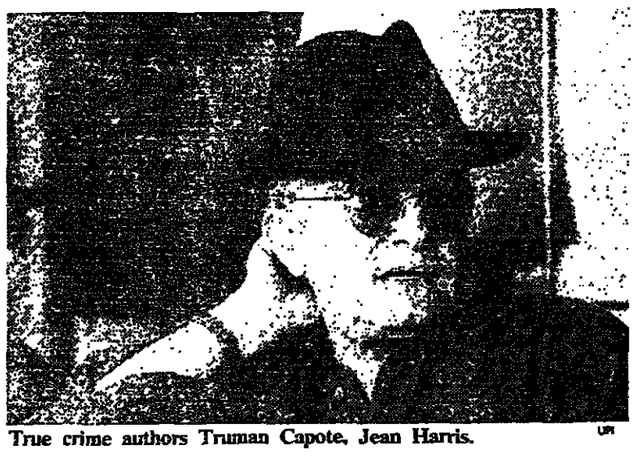
BY 8 A.M., two hours before final arguments were to begin in Robert O. Marshall's murder trial, the Mays Landing, New Jersey, courtroom had been filled. Marshall, an insurance broker and the father of three sons, was accused of hiring a hit man to kill his wife so that he could collect $1.5 million in life insurance and continue an extramarital affair with the vice principal of a local high school.

The event had another increasingly common drawing card — the presence of an author to recount it. In the front row of the courtroom sat Joe McGinniss, whose 1983 best seller "Fatal Vision" also chronicled a murder.

Although Marshall and the accused hit man, Larry N. Thompson, were on trial for their lives, it was, in important ways, McGinniss's courtroom. From the moment he entered the building, a stream of spectators approached McGinniss to ask for his autograph, compliment him on his book, even invite him to dinner.

He chatted with Chris Marshall, Robert Marshall's 19-year-old son. McGinniss had come to like Chris, a blond, athletic-looking Lehigh University sophomore, and he needed to cultivate him as a source. But he was also wary of becoming too close to him. In the course of his research for "Fatal Vision," McGinniss and his subject, Jeffrey MacDonald, a former Green Beret doctor, had become friends, even sharing a house during the trial. After McGinniss had reluctantly convinced himself that MacDonald was guilty of the murder of his wife and two young daughters, their relationship complicated the writing of the book, with personal and legal consequences that were still unfolding.

The prosecutor pulled out all the rhetorical stops, branding Marshall a "self-centered coward" who deserved "a place in hell" for murdering his wife. At that point, faint sobbing could be heard in the courtroom. Faces turned to see young Chris Marshall holding his head in his hands. McGinniss knew that Chris had been tormented by doubts about his father's plea of innocence. It was a long time before Chris raised his head, but even then he could not bring himself to look at his father, who was holding up a crayoned "I love you" sign to draw his son's attention. Finally, Chris turned to face his father, smiled wanly and held out his hands, palms up.



True crime authors Truman Capote, Jean Harris. UPI

It was the kind of moment — replete with domestic tragedy, character revelation and courtroom drama — that makes publishers, writers and readers seek out stories about real-life murder in growing numbers. In the last few years, "murder has mushroomed dramatically," says Russell Galen, a literary agent with the Scott Meredith Agency.

Since Truman Capote published "In Cold Blood" in 1965, there has been a stream of best-selling non-fiction books about murder. In addition to Capote's book (which has sold more than five million hardcover and paperback copies in the United States), some of the biggest successes are "The Boston Strangler" (2.3 million), "Helter Skelter" (6.7 million), "The Executioner's Song" (1 million) and, more recently, "Fatal Vision" (3 million). All have been made into films or television miniseries.

"These days, more murder books are being written, for larger advances, by better-known authors than ever before," said Douglas Stumpf, a senior editor at William Morrow.

So popular has the genre become that last year, when two books were published about the same crime, the murder of the Mormon millionaire Franklin Bradshaw, planned by Bradshaw's socialite daughter and carried out by her son, speculation in the publishing industry assumed that each would neutralize the other's sales. But both Shana Alexander's "Nutcracker" and Jonathan Coleman's "At Mother's Request" went on to become hardbound as well as paperback best sellers and, perhaps even more surprisingly, both are now being made into separate network miniseries.

Recently, two other murder books became best sellers: Sidney Kirkpatrick's "A Cast of Killers," about the director King Vidor's solution of an old Hollywood murder mystery, and "Stranger in Two Worlds" by Jean Harris, a now thrice-told tale of her killing of Herman Tarnower, the "Scarsdale Diet" doctor. Harris's book is also currently the object of a bidding war over film rights.

The popularity of murder books is in part due to two literary conventions: strong characters and dramatic structure. With so much "postmodern" fiction eschewing the plot-centered pleasures of the traditional novel in favor of more self-absorbed concerns, real-life murder books have stepped in to fill a void.

Paradoxically, the best murder literature is much more concerned with how people live than with the way some of them die. Murder becomes a means of access into private lives that are usually cut off from outside scrutiny.

A quarrel between a mother and daughter that normally might be considered too petty to write about becomes much more significant once we know that, a thousand such quarrels later, it will end in murder.

Audrey Topping

Because murder books are a hybrid literary form, the stuff of reportage in the shape of fiction, they have aroused some suspicion about accuracy and ethics. Capote didn't help matters by repeatedly boasting that he never took notes or used a tape recorder for "In Cold Blood." Yet according to his biographer, Gerald Clarke, all the reporters who flocked to Holcomb, Kansas, to check his research found only two minbor mistakes.

On the broader level of interpretation, however, the question of accuracy becomes more complicated. Here the writer's degree of empathy for his subject comes into play. Was Perry Smith, emotionally deprived and physically stunted from childhood, the sensitive *poet maudite* so easy for Capote to identify with, or was he the unremorseful psychopath that his actions and trial testimony would suggest?

More recently, in the markedly different versions of the killing of Tarnower, was Alexander's sympathetic portrayal of Jean Harris as a "passionate, headstrong and too-truthful woman," in her 1983 account "Very Much a Lady," more or less accurate than the rather unflattering depiction in "Mrs. Harris" by Diana Trilling.

In fact, the answer may be both more and less, because a long involvement between author and subject, like any other kind of intimacy, can doubtless produce blind spots as well as insight.

Researching murder books often requires a debilitating, even dangerous, descent into a criminal or psychopathic netherworld. Many writers report paying an emotional price for their efforts — ranging from nightmares to divorce.

After deliberating for a day, the jury in Robert Marshall's murder trial returned a guilty verdict and sentenced him to death. He is now in Trenton State Prison working on his appeal and has corresponded with his new pen pal, MacDonald, who is serving three consecutive life sentences in an Arizona prison.

After finishing his research in Toms River, New Jersey, where Marshall had been president of the Ocean County Businessmen's Association, McGinniss headed home to begin writing his book. This time, he is less interested in exploring the killer's mind than in portraying the town and its reaction to the plight of one of its leading citizens. He sees his new book "more as a social comedy than a Greek tragedy, as if Elmore Leonard had written 'Peyton Place.'" At his agent's request, McGinniss has already completed a film treatment.

Richard M. Levine is the author of "Bad Blood: A Family Murder in Marin County" (Random House). This is excerpted from an article he wrote for The New York Times Magazine.

LANGUAGE

Skirting the Question

By William Safire

WASHINGTON — "Why are today's women so unhappy in their relationships with men?" writes Cary McMullen to the editor of The New York Times. "The experts you cite mostly beg the question by saying that women should not feel this way. . . ."

Does that really *beg the question?* What does that phrase mean?

Professor James Van Cleve of Brown University's philosophy department caught me out on this recently. I wrote that the habit of schedulers in the railroad business of skipping the meridiem (they go from 11:59 A.M. to 12:01 P.M. in a split second) "begs the question of what to designate the mass transit of the meridiem." "On the contrary," writes the professor, "since the railroads assume nothing one way or the other on this question, they do not beg it."

Philosophers at Brown know that Aristotelian logic frowns on *petitio principii*, translated as "begging (or seeking) the question (or the beginning)" — the fallacy of assuming what you are supposed to be proving. "I have noticed a trend among journalists," says Van Cleve on solecism, "to use this phrase as though it meant *invites the question, leaves unanswered the question, cries out for an answer to the question* or some such."

Common usage is wearing down *beg the question*, but common usage is not good usage when it loses a useful distinction.

Aristotle explained the idea of *petitio principii, as it became known* in Latin, as "trying to show through itself something that is not knowable through itself." That is one of those definitions that does not get across meaning. A better one is "a phony argument in which the proof is in the premise." Such a "proof" proves nothing, because it rests on an assumption that has not been proven.

We need examples.

Consider the two kinds of question-begging, circular and linear. In circular reasoning, think of a revolving door: you come out where you went in. "Smoking is bad for you because doctors say so, and doctors say so because smoking is bad for you." That's dizzying; to avoid begging the question, you would have to change the last part to "and doctors say so because scientific studies show this, that and the other thing."

Now take straight-line question-begging: "What you're reading can't be true, because they never *print the truth in the newspapers.*" The conclusion (what you're reading cannot be true) is based on an unproven, if increasingly popular, premise (that they never print the truth in the newspapers). Even if you were a world-class media-basher, you would have to grant that the premise is in doubt. That goes for any argument resting on faith: "What you read in the Bible is true, because the Bible is the word of God." You may believe that; it may be true, but it is *begging that question.*

In this peculiar phrase, the verb *beg*, perhaps rooted in the lay mendicant order of Beghards, is not used to mean "asking for a handout." Nor is it a gentle or formalistic entreaty, as in "I beg to differ." In the specific use of question-begging, the verb beg has the sense of "call up" or "call for"; when you call for the question, you pretend to give an answer, but you merely repeat the question.

GIRDED for grammatical battle with all this information, we can now address McMullen's plaint about why today's women are so unhappy in their relationships with men: "The experts you cite mostly beg the question by saying that women should not feel this way. . . ."

No. If we said, "Women are so unhappy in their relationships with men because men are inherently cads," that would be begging the question, setting forth an unproven statement as proof; so would the circular "Today's women are so unhappy in their relationships with men because relationships with men make today's women unhappy." But when experts answer, "Women should not feel this way," they are evading, ducking or obfuscating the question — not begging it.

Indeed, such experts are *skirting the issue.* But wait: As more female executives rise in corporate America, is the verb *skirt* sexist?

Skirting the issue is no more sexist than *losing your shirt*, something that both men and women on Wall Street do every day.

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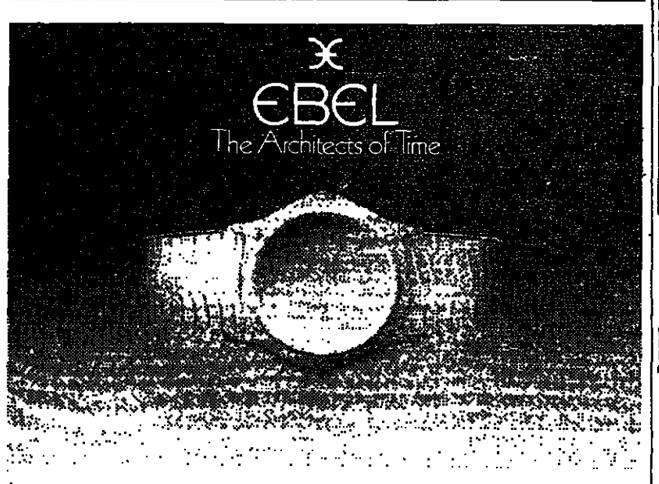

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